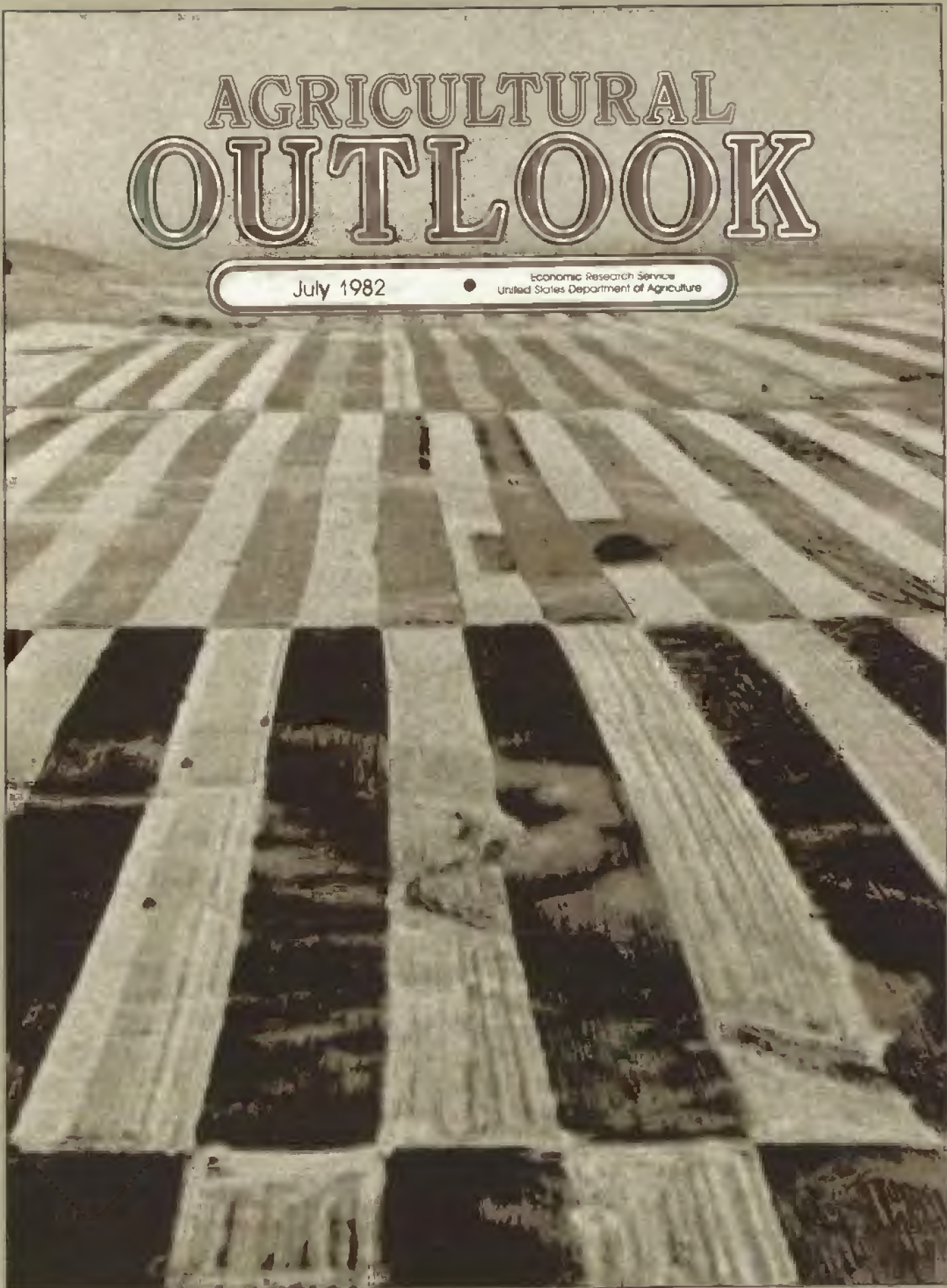


AGRICULTURAL OUTLOOK

July 1982

● Economic Research Service
United States Department of Agriculture



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COMMODITY INFORMATION SERVICE
United States Department of Agriculture



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In Brief . . . News of Farm Income, Farmland Values, and 1982 Food Prices

Agricultural Economy

A sharp drop in pork production, combined with stable production of other livestock products, is expected to cut per-capita consumption of all livestock product foods by 2 percent this year. Prices of live animals have risen so far this year, and these increases are now being passed through the marketing system to consumers. However, compared with past experience, these price gains represent only a moderate response to such substantial reductions in meat output.

U.S. crop supplies for 1982/83 could be large, leading to a possible wheat carryover of 1.3 billion bushels (36.1 million metric tons, 4.6 million above a year earlier). The corn carryover could reach 2.1 billion bushels (53.3 million tons, up 4.4 million from last year). The large crop supplies, high interest rates, and dampened consumer demand suggest another year of declining cash farm income. As a result, farmers are purchasing less farm machinery and fewer buildings, while also showing less interest in acquiring additional land.

Farm Income Update

Recently compiled farm income statistics for 1981 clearly illustrate the cost-price squeeze farmers have experienced since 1980. Cash receipts from farm marketings rose only 3 percent last year, while cash production costs rose nearly 9 percent. As a result, net cash farm income—at \$31.5 billion—declined 12 percent from 1980 and was 15 percent below the 1979 peak.

Although net cash income declined last year, net farm income after inventory adjustment rose from \$20 billion in 1980 to \$25 billion in 1981. This increase, however, results from the substantial rise in unsold crop inventories held by farmers at the end of the year, reflecting the record 1981 crops.



World Agriculture and Trade

The U.S. dollar is expected to remain highly valued throughout 1982, although it may weaken slightly against some currencies later in the year. Keeping the dollar's value up will be high U.S. interest rates and a relatively low inflation rate, which will be attracting funds from overseas investors. In addition to other economic and political factors, high interest rates and declining inflation were the driving forces behind the dollar's 25-percent appreciation against other major currencies from late 1980 through May 1982. The strong dollar may keep prices of U.S. agricultural exports high in terms of foreign currencies.

Inputs

The average value of U.S. farmland declined 1 percent between February 1981 and April 1982. This decline contrasts sharply with the 13-percent average annual increase of the 1970's and 1980's 9-percent gain. It was the first decline recorded by USDA since 1953, when land values also fell 1 percent.

Food and Marketing

Retail food prices in 1982 are expected to average 5 to 6 percent above last year, the lowest annual increase since 1976. Mainly responsible for moderating this year's food-price rise are the small gain anticipated for the farm value of foods and the marked slowing of food marketing costs. The farm value of foods is expected to average 2 to 4 percent above 1981's level, the third small annual gain in a row. The farm-to-retail price spread will be up 6 to 7 percent this year, the smallest annual rise since 1977. In addition, retail prices for imported foods and fish will likely rise 4 to 6 percent.

Heritage From the Past:

U.S. Agriculture in a State of Flux

Growth in agricultural productivity and in foreign demand for U.S. farm products have transformed U.S. agriculture since World War II. Overall, U.S. agricultural output increased 103 percent between 1940 and 1980. During the same period, the index of total input use rose from 100 to 106, indicating a rise in overall productivity of roughly 92 percent.



Agricultural Economy

Two recent statistics emphasize the farm economy's sensitivity to current weakness in the general economy. First, farmland values (in current dollars) declined 1 percent between February 1981 and April 1982. The decline follows increases of 16 and 9 percent, respectively, during 1980 and 1981. Second, per-capita consumption of animal products is now forecast to decline 2 percent this year—to its lowest level since 1939. However, retail food prices, including meats, will rise only moderately over last year.

Behind the Statistics: Broader Trends in U.S. Agriculture

The gradual shift in farming to larger, more capital-intensive economic units has thrust today's farmers into the competitive national markets for credit, as well as the markets for fuel, other inputs, and labor. The lackluster performance of the general economy during the past 2 years and the steps taken to fight inflation have affected farmers more quickly and directly than in previous recessions. With today's farmers much more dependent on credit (now a bigger cost than fuel), rising interest rates immediately began to show up in the farm income statement.

However, probably more important than this was the ripple effect created as producers in the food-processing sector reduced inventories to cut costs. The result was less product in the pipeline at a time of abundant supplies from the 1981 crops, which put a damper on crop prices.

Strong Dollar, Slow Economy Weakening Farm Prices

The fight against inflation has led to a more restricted money supply and higher interest rates. One result has been a stronger dollar relative to most other foreign currencies, which has added to the price weakness for crops. During the past 2 years, the U.S. dollar has strengthened about 35 percent against the German mark, British pound, and Dutch guilder, while rising about 10 percent against the Japanese yen and Canadian dollar. In many markets, the dollar's rise has more than offset lower export prices of U.S. farm products, thus making U.S. commodities more expensive for foreigners than a year ago. This development has slowed the increase in exports, forcing U.S. farmers to store more products on their farms.

A slow economy is also hurting the domestic demand for farm products. Because of low returns in the past, farmers are cutting 1982 meat production, especially of pork. Prices of live animals have risen, and these increases are currently being passed through the marketing system to consumers. But compared with past experience, these price increases represent only a moderate response to such substantial reductions in meat output—partly because of recent large production.

Large crop supplies and weaker demand have reduced crop prices, thus lowering feed costs for livestock producers. The recent gains in animal prices will encourage some expansion in feeding activity, but no sharp turnaround is likely unless the economy perks up enough to boost consumer demand for meat.

Farmers' input costs are now rising more slowly. The index of prices paid by farmers for all production items was climbing at double-digit rates as recently as the third quarter of last year, but it is now increasing at about a 5-percent annual rate.

The large crop supplies, high interest rates, and dampened consumer demand suggest another year of declining cash farm income. As a result, farmers are purchasing less farm machinery and fewer buildings, while also showing less interest in acquiring additional

land. This situation will not change until farm prices make a sustained rise. Favorable domestic and worldwide economic developments are needed to strengthen demand for U.S. farm products and lead to a recovery in the farm economy. [Don Seaborg (202) 447-8378]

LIVESTOCK HIGHLIGHTS

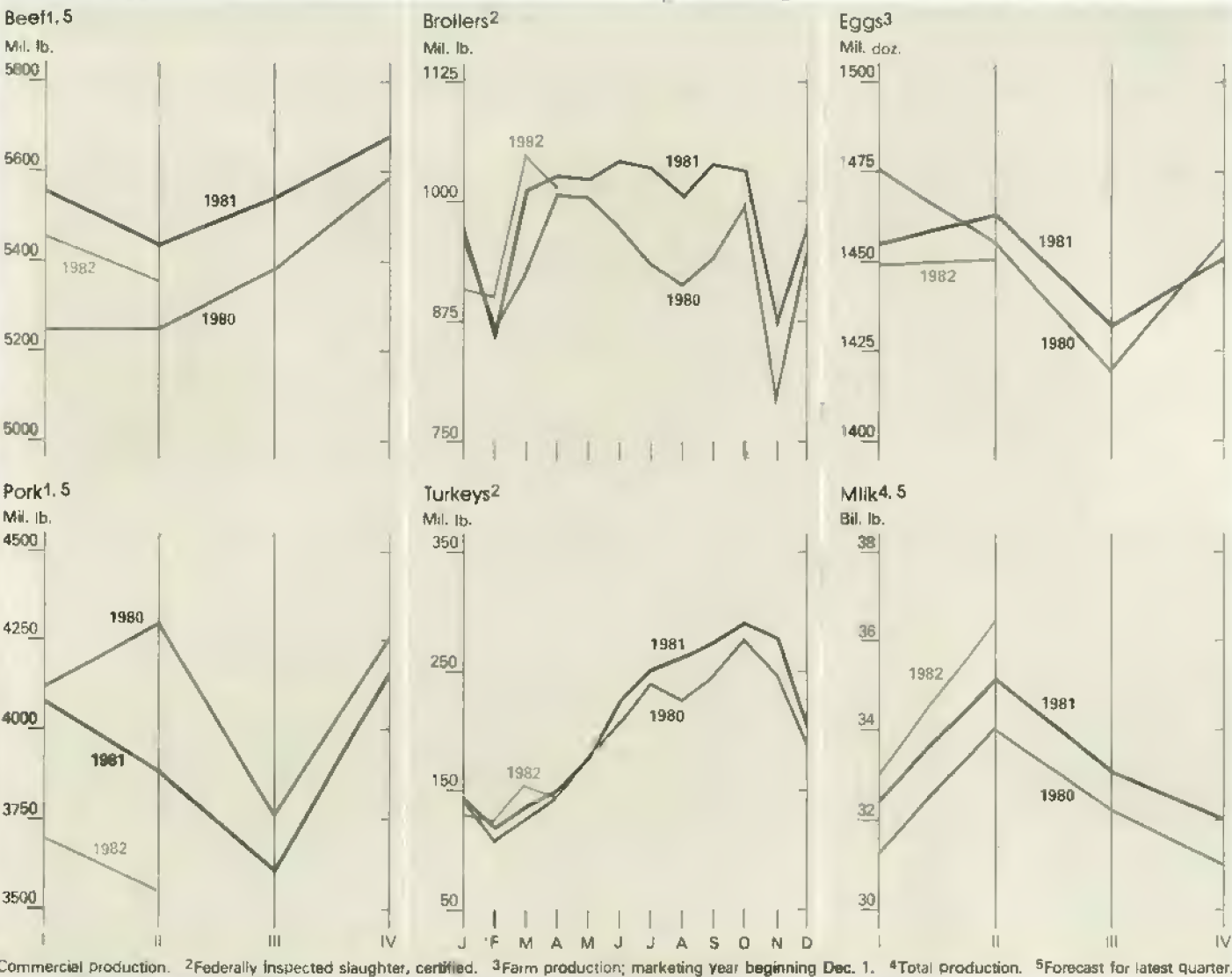
Cattle

Positive feeding margins—together with lower feed prices and moderating feeder cattle prices—continue to encourage larger feedlot placements. At the same time, uncertainty about future prices is leading cattle feeders to keep marketings current, thus holding down slaughter weights. Through May, net monthly placements of cattle on feed in the major feeding States averaged 15 percent above last year. Net placements increased 20 percent in May, while fed cattle marketings rose 1 percent. The number of cattle on feed on June 1 was 4 percent above a year ago. These larger placements will boost marketings in the second half of the year—likely causing fed cattle prices to decline from their spring peak, despite smaller total meat supplies.

Choice fed steer prices at Omaha reached their highest level of the year in mid-May and again in early June, averaging over \$72 per cwt in May. Prices then began to decline through June, reflecting market concern over increased fed beef supplies and higher retail beef prices. In the second quarter, Choice steer prices averaged about \$70.50, well above the \$63.36 and \$66.62 of first-quarter 1982 and second-quarter 1981, respectively.

Larger beef supplies in the second half may keep prices this summer and fall within a \$66 to \$70 range. Improved consumer purchasing power, a moderate economic recovery, and continued current feedlot marketings will be necessary to reach the upper end of this range.

Yearling feeder steer prices stayed within a narrow range of \$66 to \$69 this spring. Despite renewed feedlot profits and moderate grain prices, cattle feeders remain cautious in bidding for replacement cattle. Uncertainties about the economic recovery, continued high interest rates, and increased feeder cattle movement and fed cattle marketings in the second half will likely hold yearling steer prices near the second-quarter level. [Ron Gustafson (202) 447-8636]



Hogs
Despite substantially higher hog prices and improved returns since the beginning of the year, producers have continued to reduce inventories from year-earlier levels. The June *Hogs and Pigs* report indicates substantial year-to-year declines in pork production throughout 1982. Farrowing intentions suggest continued declines through mid-1983. The overall inventory on June 1 was down 13 percent from a year ago, with the market hog inventory down 13 percent and the breeding herd down 12 percent. Also, producers indicated they would reduce June-November farrowings by 10 percent.

In the second quarter, commercial pork production totaled about 3.55 billion pounds, down 9 percent from a year ago. This sharp drop, along with smaller poultry and beef supplies, strengthened second-quarter hog prices. After rising sharply from early April to late May, barrow and gilt prices remained steady through June. At the seven major markets, prices averaged about \$56.50 per cwt for the quarter.

In the third quarter, pork production is forecast to drop 12 to 14 percent from a year ago. Sharply lower stocks and production, together with little change in supplies of other meats, should support an average hog price of \$55 to \$59 per cwt.

Fourth-quarter slaughter will be drawn primarily from the market hogs weighing under 60 pounds on June 1. This inventory was down 18 percent from a year earlier, so fourth-quarter slaughter will likely be 19 to 21 percent below a year ago. Although supplies of other meats are expected to increase slightly, the sharp drop in pork output along with an improving economy may keep hog prices within \$54 to \$58 for the fourth quarter. [Leland Southard (202) 447-8636]

Broilers

During January-March, broiler meat output from federally inspected plants totaled 1.88 billion pounds, up 1 percent from a year earlier. Weekly slaughter reports and chick placements suggest that broiler output declined about 1 percent in the second quarter. If prices continue to strengthen, output in the second half may be up about 1 percent from last year. Early indications are that producers plan to expand output further in 1983.

Broiler prices in the 9 cities surveyed averaged about 45 cents a pound in April-June, the same as last year. With sharply smaller pork supplies and an improving economy, broiler prices should strengthen this summer and fall. After averaging about 45 cents in the second quarter, prices may strengthen in the second half—averaging 47 to 51 cents, up from 45 cents last year. With pork production likely to be down sharply in the fourth quarter, broiler prices may show little of their usual seasonal decline. [Allen Baker (202) 447-8636]

Eggs

Egg production during March-May was down 1 percent from last year, at 12 million dozen. Production is expected to decline about 1 percent through the rest of the year because of fewer replacement pullets. Even with improved returns through April, high interest rates and uncertainty about future profits have kept producers from increasing the hatch of replacement pullets. The May hatch was 1 percent above a year ago, but 2 percent below 1980.

During March-May, the price of Grade A large cartoned eggs in New York averaged 72 cents a dozen, up 2 cents from last year. If prices increase for other high-protein foods, egg prices should strengthen during June-August—averaging 68 to 72 cents, about the same as last year's 71 cents. Prices are expected to strengthen seasonally in the fourth quarter, and may average 78 to 82 cents a dozen, up from 77 cents last year. [Allen Baker (202) 447-8636]

Turkeys

Turkey meat output under federal inspection was 410 million pounds during January-March, up from 398 million last year. Output during April declined 3 percent from a year earlier. Since more heavy breed turkeys were hatched for slaughter during the second quarter, output was expected to be down only 2 percent from last year—not as much as hatchery activity would indicate. Based on poult hatched, third-quarter output may be 8 percent below a year ago. Output in the fourth quarter is expected to decline 6 percent from last year's 773 million pounds, although early hatching suggests the decline could be smaller.

Cold storage stocks of frozen turkey continue large. Weekly data suggest that producers are building stocks to meet increased seasonal demand in the fourth quarter.

Prices of light hen turkeys in New York during mid-June averaged 61 cents a pound, down from 64 cents last year. Since producers started building stocks and marketing fewer turkeys, prices have strengthened. Prices of young hens in New York during April-June will average about 59 cents a pound, down from 64 cents a year ago. As supplies decline and prices of other meats strengthen, turkey prices should rise—possibly averaging 66 to 72 cents a pound in the second half, up from 59 cents last year. [Allen Baker (202) 447-8636]

Dairy

Although total milk production has been larger this year than last, the year-to-year gains have slowed. The number of milk cows on farms decreased from January to March, but remained 1 percent above a year earlier. Output per cow in March was virtually the same as a year ago.

The total cow herd is likely to remain above year-earlier levels until at least late 1982 or early 1983. The inventory of dairy replacements on January 1 was more than ample for a normal culling rate. Thus, the dairy herd will likely stop contracting and may even expand. For the rest of the year, the milk-feed price ratio should continue to favor heavy concentrate feeding, while pastures are expected to be good to excellent; as a result, output per cow will likely top last year's rate. On balance, milk production for the year is expected to exceed 1981 output by around 2 percent.

For the first half of 1982, the all-milk price averaged about 1.5 percent below last year. With the seasonal slowdown in production and anticipated economic recovery—which will help boost commercial use—second-half milk prices should rise somewhat from 1981 levels.

Total output of manufactured dairy products (milk-equivalent, fat-solids basis) increased during the first quarter of 1982. However, this output now appears to be slowing. First-quarter production of butter, nonfat dry milk, and American and other cheese increased substantially less than in the first quarter of 1981.

While gains in manufactured output show signs of moderating, commercial and per-capita use appear to be increasing. First-quarter commercial use of milk and dairy products was up 1.7 percent from last year. In addition, given larger USDA use—including the special butter and cheese donations—per-capita dairy consumption this year is expected to rise slightly from 1981. [Cliff Carman (202) 447-8636]

CROP HIGHLIGHTS

Wheat

Based on conditions as of June 1, the 1982 U.S. winter wheat crop is forecast to again exceed 2 billion bushels—32 million bushels larger than 1981's record 2.10 billion (57.2 million metric tons). Around 59 million acres of winter wheat are expected to be harvested for grain, slightly above 1981. Favorable growing conditions for the spring wheat crop suggest that the total wheat harvest will be a near-record, although growers' compliance with the acreage-reduction program will be the determining factor. Durum harvested acreage is estimated at 4.3 million acres, 26 percent below 1981. Harvested acreage of other spring wheat is down slightly. Coupling this production outlook with the second largest June 1 carryover since the early 1960's means that the total U.S. wheat supply in 1982/83 will be the largest ever.

World wheat production in 1982/83 is now projected at 438 to 478 million metric tons—with the midpoint down 1 percent from last month, but 1 percent above last year's record. Forecasts of larger crops in Western Europe and the United States were more than offset by a 7-million-ton downward revision in Soviet output. The Soviet wheat crop forecast, now at 88 million tons, was reduced because of smaller expected area and yields.

The forecast of world wheat consumption in 1982/83 is now 448 million tons—down 2 million from last month and only slightly larger than last season. With global ending stocks estimated at 94 million tons, the stocks-to-use ratio would exceed 20 percent for the first time since 1978/79.

World wheat trade in 1982/83 (July/June, excluding intra-EC trade) is forecast slightly below 100 million tons, about equal to last year's level. The U.S. export forecast for 1982/83 remains at 46.0 million tons, down from 48.4 million in the year just ended. [Allen Schienbein (202) 447-8776 and Bradley Karmen (202) 447-8879]

Rice

Lower prices and farmer compliance with this year's acreage-reduction program will likely reduce the 1982 rice harvest from 1981's record 185 million cwt. About 3.3 million acres of rice were planted in 1982, down from 3.8 million in 1981. However, even with lower production, the substantial increase in beginning stocks will boost 1982 supplies to a record level.

With little change in world trade prospects for 1982/83, U.S. rice exports are forecast to remain at this year's level, while domestic use will continue its upward trend. Still, total use will likely fall short of production. About half the projected 1982/83 carryover will likely be in Government inventory. With these large supplies, rice prices will remain under pressure next season—possibly ranging from \$8.50 to \$10.00 per cwt, compared with \$9.25 in 1981/82.

After climbing 4 to 5 percent in each of the last 2 years, world milled-rice production in 1982/83 is not expected to change from this year's record 276 million metric tons. Foreign production has risen 20 million tons in the last 2 years. Weather, inputs, and disease will continue to be the main determinants of world rice output, as area changes will again be minimal.

World consumption may rise only marginally, marking the smallest increase in several years. In contrast with 1981/82, consumption may exceed production, leading to a slight decline in world stocks. World trade is projected to rise somewhat from 1981/82's estimated 11.8 million tons, but it will fall short of the record 13.6 million shipped in 1980/81. With world demand still depressed and total supplies in exporting countries remaining high, U.S. rice exports in 1982/83 are not expected to exceed this year's forecast of 2.85 million tons. Thailand's exports are strongly competitive this year, following policy changes that have reduced export prices. [Allen Schienbein (202) 447-8776 and Eileen M. Manfredi (202) 447-8912]

Coarse Grains

Commercial ("free") stocks of corn and grain sorghum continued to tighten this spring. On June 1, total stocks of corn and sorghum were 4.2 billion bushels (106.6 million metric tons), but almost 2.5 billion were in CCC inventories, the farmer-owned reserve, or under loan. Thus, "free" stocks totaled slightly over 1.7 billion bushels, compared with expected market use of almost 2.0 billion between June 1 and October 1. Consequently, it appears that much of the 620 million bushels of corn and sorghum under regular loan will have to be redeemed to meet market needs.

Two factors will tend to ease the supply situation in August and September. First, new-crop grains will start entering the market in August. Second, farmers may "roll over" corn and sorghum in the 1981 reserve. Thirty days prior to harvest, farmers have the option of selling grain they have in the reserve and replacing it with new-crop grain after harvest. Favorable corn prices during the 30-day period prior to harvest and/or a shortage of storage space for the new crop would encourage farmers to exercise this option.

Planting in the western Corn Belt has been delayed by a wet spring. By the end of the first week in June, the percent of the corn crop planted was significantly below average in Iowa, Kansas, Nebraska, and South Dakota. These four States produced 35 percent of the 1981 corn crop. Last year, only Indiana and Ohio were significantly behind schedule by early June. The delay in planting may encourage greater participation in the acreage-reduction program, as well as possibly lowering yields.

As of June 1, farmers had planted or intended to plant 121 million acres of feed grains, including 82.1 million acres of corn. Compared with 1981, corn acreage is expected to be down 2 million acres and sorghum down 1 million.

Foreign coarse grain production in 1982/83 may be up about 3 percent from last year's reduced outturn. In the USSR, improved yields and a larger area may push output up 10 million tons. Smaller gains are anticipated in Western Europe, China, and, possibly, the Southern Hemisphere.

Foreign use of coarse grains is forecast to increase 2 to 3 percent in 1982/83, following a slight decline in 1981/82. Feed use may rise more than 4 percent. Soviet use is expected to expand 8 to 10 percent, offsetting a reduction in wheat use. Only limited recovery is anticipated in Eastern Europe's consumption, depending on the crop outturn. In the developing countries and China, the larger crops in prospect would enable use to rise. Use in the developed countries will depend on growth in their livestock sectors.

A likely rebound in imports by the developing countries may help world trade to recover in 1982/83. Larger shipments are expected to Mexico, North Africa, the Middle East, and East Asia. Spain and Portugal will probably import less because of their better harvests, but shipments to the EC and Japan may increase slightly.

Estimates of Soviet imports have been raised significantly. Imports during 1981/82 (July/June) probably totaled near 26 million tons—44 percent above a year earlier. Shipments to the USSR are now forecast at 25 million tons in 1982/83. The Soviets are expected to favor imports of coarse grains over wheat in an attempt to maintain their livestock output.

Global carryover stocks of coarse grains are forecast at 100 to 126 million tons in 1983, compared with an estimated 105 million in 1982. If the Soviets harvest a fourth consecutive disappointing grain crop, as is now anticipated, a buildup of their coarse grain stocks is unlikely. Thus, little stock accumulation is expected outside the United States. [Larry Van Meir (202) 447-8776 and Sally Byrne (202) 447-8857]

Oilseeds

With strong export movement so far this fiscal year, the forecast of 1981/82 U.S. soybean exports has been revised upward to 900 million bushels (22.9 million metric tons). Exports are forecast to rise again in 1982/83, as exportable soybean and product supplies in Brazil will be down because of its short crop, now estimated at 12.8 million metric tons.

Besides soybeans, exports of U.S. meal and oil are also forecast to increase—1 and 15 percent, respectively—in 1982/83. These gains are expected to offset declines in Brazilian product exports, particularly of oil. Some further tightening of foreign fats and oils supplies will also support growth in U.S. soybean oil exports.

Domestically, use of soybeans and products is projected to rise only marginally. At 18.1 million short tons, domestic use of soybean meal is forecast up 2 percent next season. The decline in hog numbers will temper growth in domestic meal use, but the improved profitability of the livestock sector should foster an increase in meal feeding rates.

With total meal disappearance expected to rise moderately, some further recovery in domestic crush is likely. Current 1982/83 forecasts call for a 20-million-bushel increase in domestic crush, to 1,075 million.

Because of a decline in U.S. animal fat supplies, notably of lard, and an anticipated rise in consumer incomes, domestic use of soybean oil in 1982/83 is forecast to rise 3 percent—to 9.85 billion pounds. This further growth in the domestic market, coupled with only moderately expanding supplies, could lower U.S. stocks of soybean oil to 1.2 billion pounds—much closer to normal commercial needs.

Soybean prices are forecast to average \$5.85 to \$7.50 a bushel next season, with the most likely price up 5 to 7 percent from 1981/82's \$6.05. Soybean meal prices will likely not rise much from this season's average; prices are likely to average \$175 to \$210 per short ton, compared with \$185 in 1981/82. Prices of soybean oil are expected to strengthen in 1982/83, with the season-average price projected at 20 to 26 cents a pound.

World production of all oilseeds in 1982/83 is forecast at 175 million metric tons, assuming average crop conditions. The most notable change from 1981 is the estimated 4-million-acre increase in U.S. soybean plantings—to 72 million acres. World protein meal output may rise only moderately to 95.1 million tons, with U.S. soybeans again accounting for 45 percent of the total. World demand for oilseed meal is forecast to increase nearly 2.5 percent next season. Economic recovery and stabilization of the dollar relative to foreign currencies could raise foreign demand further. [Leslie Herren (202) 447-8444 and Jan Lipson (202) 447-8855]

Cotton

The U.S. planted acreage of all cotton is estimated at 11.6 million acres as of June 1, 19 percent below 1981 and 8 percent below February intentions. This decline is resulting from participation in the 15-percent acreage-reduction program, unfavorable planting conditions in Texas and Oklahoma, and low prices. Since June 1, considerable acreage in Texas has been damaged or destroyed. Thus, the acreage finally harvested in 1982 could be down by much more than the estimated reduction in plantings.

Given the U.S. production outlook, stocks at the end of 1982/83 should be significantly below those on August 1, 1982. The extent of the drawdown will also depend on general economic activity here and abroad.

World production is expected to decline in 1982/83, with all of the reduction due to smaller U.S. output. Foreign production will likely remain at 55 million bales. The strength of world economic recovery will affect foreign mill use, which is currently expected to rebound and exceed levels of the previous 2 years.

Slow economic activity here and in major foreign textile markets continues to limit cotton use. U.S. mill use is expected to total 5.3 million bales this season. Because of the slow pace of shipments, this season's export estimate was lowered marginally this month, to 6.7 million bales.

With this season's production far exceeding total use, stocks on August 1 are forecast at 6.5 million bales—about 2-1/2 times greater than a year ago. Since winter, abundant supplies have kept farm prices about a third below last season. After rising slightly during April and May, spot prices weakened again in June. [Henry Foster (202) 447-8776 and Eileen Manfredi (202) 447-8912]

Peanuts

Peanut supplies this season totaled 4.4 billion pounds (farmers' stock basis)—about a third above last year because of recovery from the 1980 drought. Production in 1981 was a record 3.98 billion pounds, but it may decline in 1982 as the estimated harvested acreage is 1.3 million, 0.2 million below last year.

Domestic use of peanuts this season is running about 7 percent ahead of last year. During August-March, use for peanut butter was up 11 percent, and use for salted peanuts was 15 percent above a year earlier. On the other hand, use in peanut candy was down 4 percent.

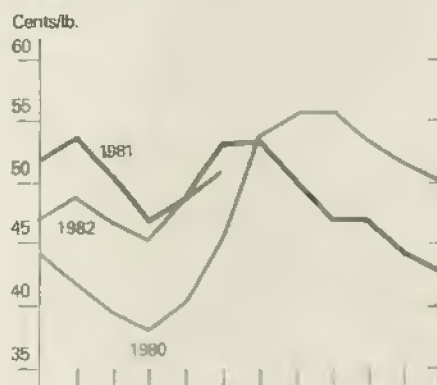
Exports this season are expected to exceed last year's 500 million pounds (farmers' stock basis). Through the end of April, shipments totaled 450 million pounds. Nevertheless, exports will be considerably below the 3 years before the 1980 drought, when they surpassed 1 billion pounds each year. [Verner Grise (202) 447-8776]

Commodity Market Prices: Monthly Update

Choice steers¹



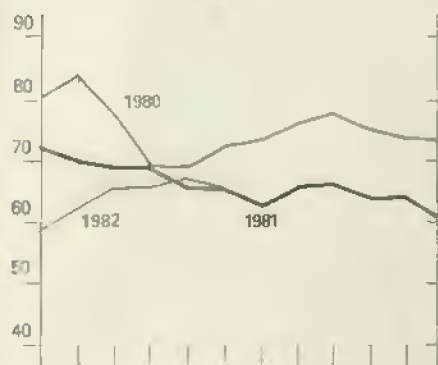
Broilers⁴



Corn⁶



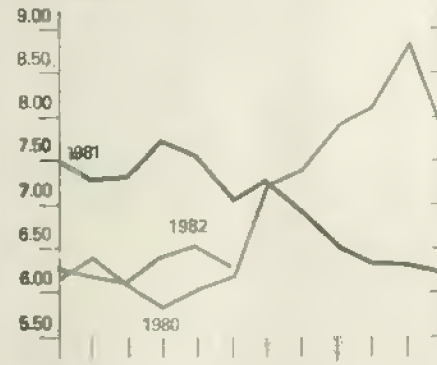
Choice feeder cattle²



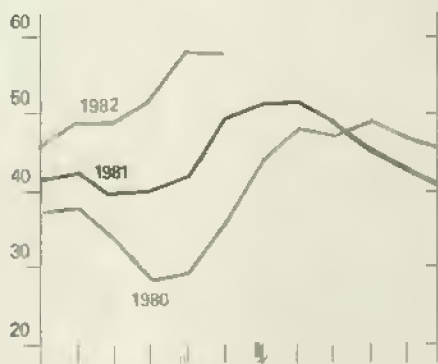
Eggs⁵



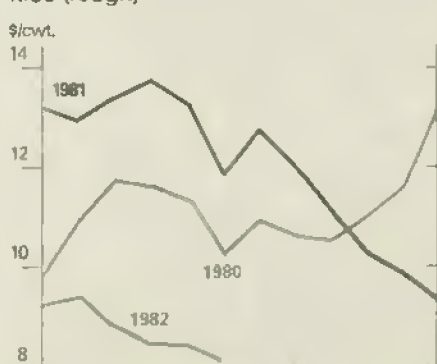
Soybeans⁷



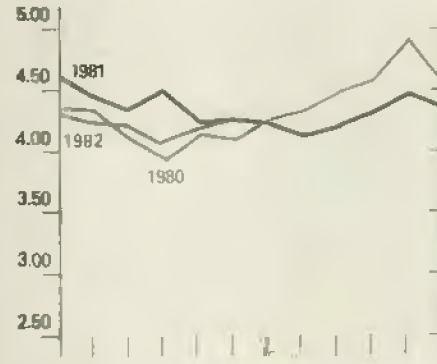
Barrows and gilts³



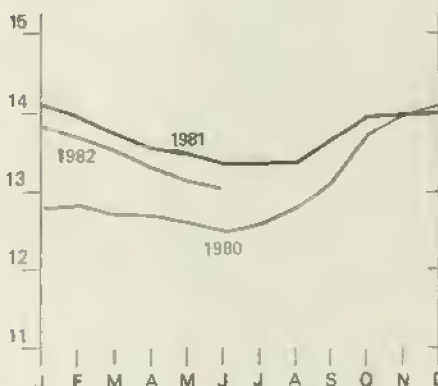
Rice (rough)



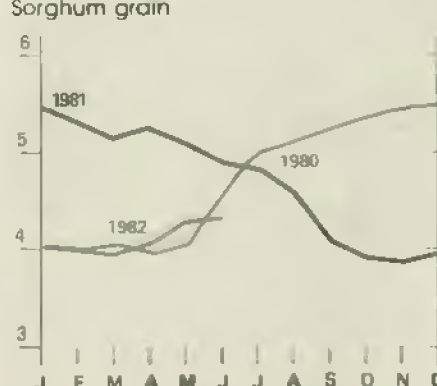
Wheat⁸



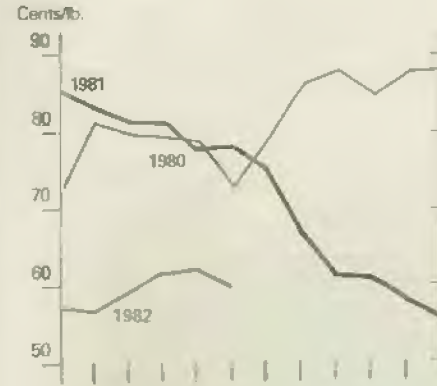
All milk



Sorghum grain



Cotton⁹



Prices for most recent month are mid-month prices.
¹Omaha. ²600 700 lbs., Kansas City. ³7 markets.

⁴Wholesale, New York. ⁵Grade A Large, New York

⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.
⁸No. 1 HRV, Kansas City.
⁹Average spot market, SLM, 1-18."

Tobacco

Total use of U.S. tobacco in 1981/82 (beginning July 1 for flue-cured and October 1 for burley and other kinds) will likely rise about 5 percent because of larger exports. Even so, use is expected to be 10 percent below 1981's large crop, so stocks carried over to the new marketing year will likely increase from last year's 3.3 billion pounds.

Supplies are expected to decline next year because a smaller 1982 crop will likely offset the larger beginning stocks. Acreage for harvest in 1982 is estimated at 919,000, 6 percent below 1981. With an anticipated smaller crop and an almost 11-percent increase in support prices, auction prices will likely be higher in 1982. Exports could drop because of anticipated stable world consumption and the strong U.S. dollar. [Verner Grise (202) 447-8776]

Sugar

The world price of raw sugar weakened further in June, to less than 7 cents (f.o.b. Caribbean, Contract No. 11). Prices have dropped in reaction to abundant sugar supplies, with a stock buildup of more than 5 million metric tons likely this season. World sugar production is still estimated at 96.3 million tons, compared with consumption at 91 million.

The price of domestic raw sugar (c.i.f. duty/fee-paid, New York) averaged 19.6 cents a pound in May—up from 17.9 cents in April, following an increase in the U.S. market stabilization price (MSP) and imposition of restrictive import quotas. Prices in early June were about 20.5 cents a pound, just above the MSP of 19.88 cents, but they jumped to 21.7 cents on June 21 after a July-September quota of 420,000 short tons was announced.

U.S. sugar output in 1981/82 totaled 6.12 million short tons (raw value), up 4.2 percent from last season. Beet sugar output increased 4.5 percent to 3.29 million tons (raw basis), with cane sugar output up 3.8 percent to 2.83 million. In 1982/83, a drop in acreage and a return to more normal sugar recovery are expected to reduce overall production by about 10 percent.

U.S. sugar deliveries for domestic consumption are running short of last year. U.S. consumption is now estimated to fall from last year's 9.8 million tons to about 9.5 million in 1982. Per-capita consumption may drop to 76.5 pounds, down 3 pounds from 1981. [Robert Barry (202) 447-7290]

Vegetables

Total canned stocks of snap beans, sweet corn, and green peas on May 1 were up 5 percent from last year, while shipments during 1981/82 have been about 4-1/2 percent less. Frozen holdings of the three vegetables on April 1 were down about a tenth, but shipments were just under a year earlier. Stocks of all canned tomato products were down substantially from last year.

Contract acreage for the four major processing vegetables this year reflects their respective stock positions. The area planted to side-dish vegetables (snap beans, sweet corn, and green peas) is up slightly from last year, with 18 percent more acreage devoted to frozen vegetables, more than offsetting a moderate decline in area for canned vegetables. The contract area of tomatoes, which typically accounts for over 60 percent of the total tonnage for the four vegetables, is estimated to increase a fifth from last year. For all four, the 1982 preliminary estimate is placed at 1.28 million acres, a 6-percent rise from 1981.

Based on contracted area, the pack of canned beans and peas will likely be substantially reduced this year, while canned corn supplies should be ample. There could be run-ups in the prices of some items during second-half 1982, especially if sales pick up from the current slow pace. For frozen vegetables, the larger acreage suggests a rise in production to offset the lower carryin; this should moderate the sharp price increases of the past year.

The index of grower prices for commercial vegetables stood at 135 in mid-June (1977=100), up moderately from last year. Seasonally lower fresh vegetable prices should push the index downward in coming months, but higher prices for processing vegetables—notably tomatoes—could bolster it.

Large supplies of dry edible beans, coupled with lagging export demand, have lowered prices. During June, growers received an average \$17.90 per cwt, less than half of a year ago. Farmers

planted 1.86 million acres this year, down 18 percent from last year. Given average yields and crop abandonment, this year's outturn would still be the second or third largest ever. In recent years, Mexico contracted for substantial quantities of dry beans—375,000 metric tons in 1981/82, or more than a fourth of U.S. production. However, Mexico currently has large stocks and has indicated no interest in negotiating forward contracts. With the prospect of large supplies, prices will continue much lower than in 1981 unless some export demand surfaces. [Michael Stellmacher (202) 447-7290]

Fruit

If June 1 forecasts are realized, the supply of fresh summer fruit will be down sharply from last year. Crops are smaller this year because of adverse spring weather. Thus, fruit prices at all marketing stages are expected to remain sharply above a year ago.

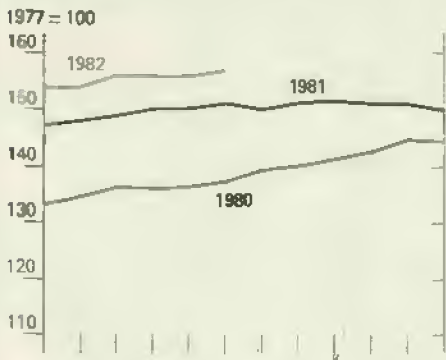
The California nectarine crop is forecast at 150,000 tons, 18 percent less than last year. Shipments through mid-June were running well behind last year's pace, with opening f.o.b. prices at shipping points sharply higher. Even though prices will decline somewhat as volume increases, they are expected to average substantially higher this year than last.

U.S. peach production is forecast at 2.12 billion pounds, 24 percent less than last year. Excluding California clingstones, the total peach crop is expected to be 1.1 billion pounds, down 30 percent. The nine Southern States are estimated to produce 351 million pounds, 52 percent below last year. With shipments substantially reduced, f.o.b. prices at shipping points have far exceeded last year's levels. While prices for peaches from the Southern States will likely average sharply higher than in 1981, prices may weaken somewhat in late August and September as larger crops from some important late States are marketed.

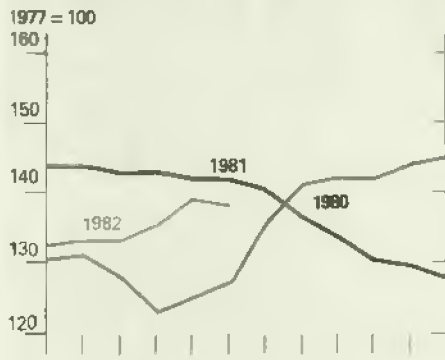
The California plum crop is forecast at 95,000 tons, 52 percent less than in 1981. As a result, shipments have fallen well below year-earlier levels, with opening f.o.b. prices at shipping points sharply higher. Prices are expected to decline as volume rises, but will still average well above last season. [Ben Huang (202) 447-7290]

Prime Indicators of the Agricultural Economy

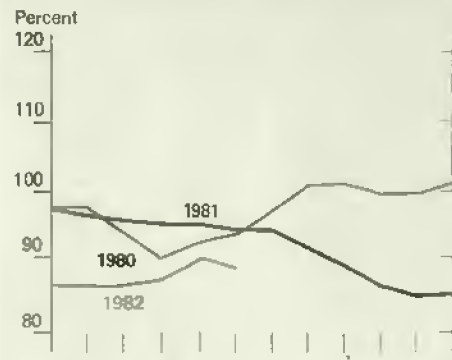
Prices paid by farmers¹



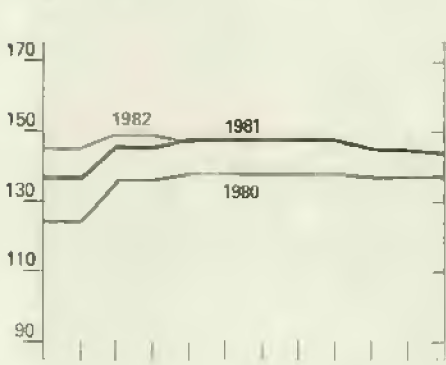
Prices received by farmers²



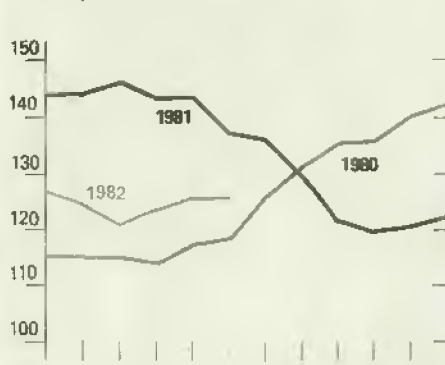
Ratio of prices received to prices paid



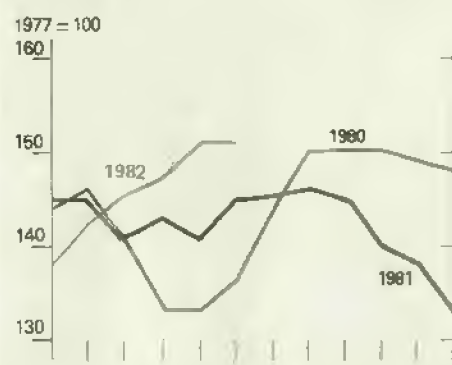
Fertilizer prices



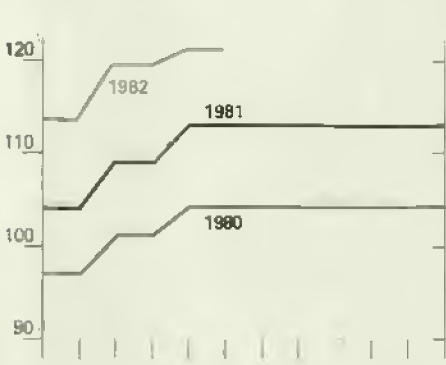
All crops



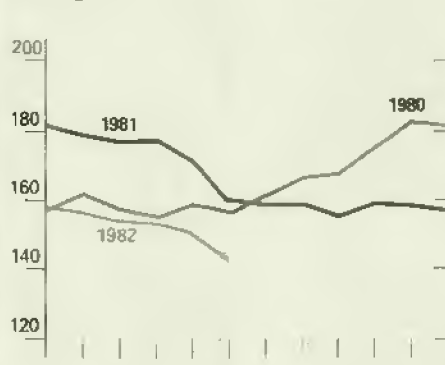
Livestock and products



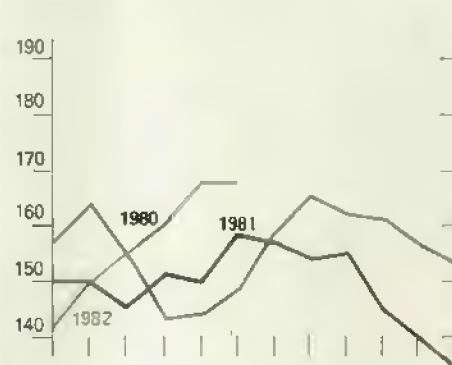
Agricultural chemicals



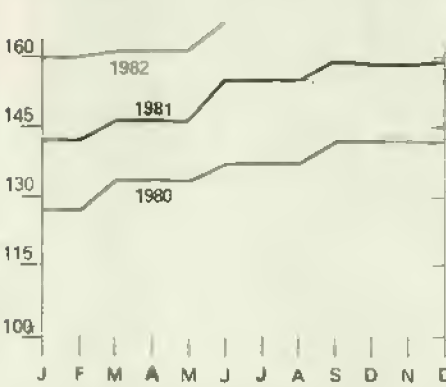
Food grains



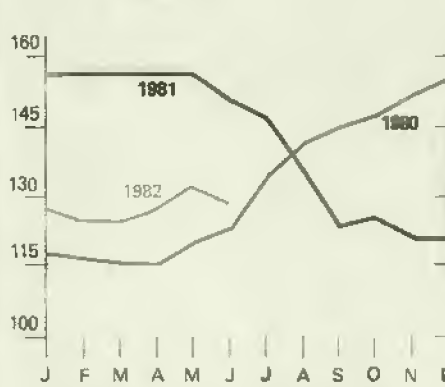
Meat animals



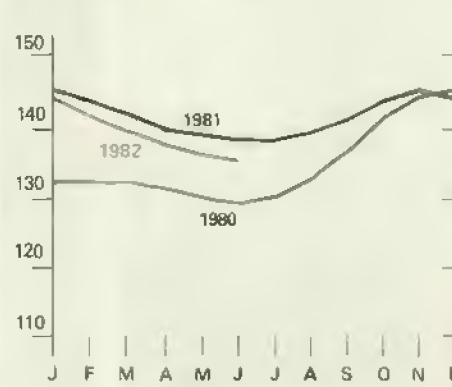
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages.

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products



Farm Income Update

1981 INCOME ESTIMATES COMPLETED

Recently compiled farm income statistics for 1981 clearly illustrate the cost-price squeeze farmers have experienced since 1980. Cash receipts from farm marketings rose only 3 percent last year, while cash production costs rose nearly 9 percent. As a result, net cash farm income—at \$31.5 billion—declined 12 percent from 1980 and was 15 percent below the 1979 peak.

Although net cash incomes declined last year, net farm income after inventory adjustment rose from \$20 billion in 1980 to \$25 billion in 1981. This increase, however, results from the substantial rise in unsold crop inventories held by farmers at the end of the year, reflecting the record 1981 crops.

The preliminary estimates of 1981 farm income reveal an unusual situation: income before inventory adjustment dropped 20 percent from 1980, while income after inventory adjustment rose 25 percent. These two measures have diverged before (the last time was in 1971), but the difference has never been so pronounced as in 1981, when a bumper crop rebuilt inventories depleted by 1980's drought.

Cash Receipts, 1978-1981

	1978r	1979r	1980r	1981p
\$ Million				
Crop receipts:				
Food grains	5,839	9,047	10,386	12,399
Wheat	4,689	7,823	8,841	10,474
Rice	1,114	1,188	1,515	1,887
Feed grains and hay	11,427	14,042	18,295	18,267
Corn	8,246	10,283	13,966	13,602
Grain sorghum	905	1,169	1,372	1,491
Barley	607	647	736	884
Oats	281	272	303	373
All hay	1,389	1,670	1,917	1,917
Oil Crops	13,023	14,326	15,456	14,106
Soybeans	11,822	12,964	14,256	12,421
Other oil crops	1,201	1,362	1,200	1,685
Cotton (incl. seed)	3,465	4,305	4,469	4,552
Tobacco	2,604	2,271	2,672	3,253
Fruits and nuts	5,764	6,467	6,575	6,542
Vegetables	5,941	6,451	7,023	8,407
Other crops	5,614	6,219	6,865	7,459
Total crops	53,676	63,128	71,739	74,984
Livestock receipts:				
Red meats	37,318	43,900	40,855	39,146
Cattle	26,060	31,634	28,947	26,775
Calves	2,051	2,766	2,518	2,162
Hogs	8,754	9,027	8,921	9,799
Sheep and lamb	453	474	469	411
Poultry and eggs	8,110	8,914	9,158	9,917
Broilers	3,715	4,025	4,304	4,628
Turkeys	1,156	1,215	1,270	1,247
Eggs	2,939	3,318	3,247	3,640
Other poultry	300	356	328	402
Dairy products	12,509	14,659	16,605	18,106
Wholesale milk	12,230	14,354	16,274	17,739
Other dairy	279	305	331	367
Other livestock products	873	1,109	1,178	1,313
Total livestock	58,810	68,583	67,796	68,483
Total crop and livestock	112,486	131,712	139,535	143,467

r = revised, p = preliminary. Totals may not add due to rounding.

Cash Receipts Rose Slightly in 1981...

Total cash receipts from 1981 farm marketings are now estimated at \$143.5 billion, up about 3 percent from

the revised 1980 receipts of \$139.5 billion. In constant (1972) dollars, receipts fell 6 percent. Nominal receipts rose about 5 percent for crops, while increasing only 1 percent for livestock and products. Earlier, total cash receipts for 1981 had been forecast at \$142.7 billion.

Cash receipts from crop sales in 1981 totaled \$75.0 billion, reflecting:

1) strong first-half prices caused in part by reduced marketings from the drought-shortened 1980 crop, and 2) strong second-half marketings from the record 1981 crop. CCC loans (which are treated as receipts) contributed substantially to second-half cash receipts, especially for corn, soybeans, and wheat. The volume of crop marketings increased 2 percent last year, while prices received by farmers for all crops rose 7 percent.

Production in 1981 was up about a fourth for rice and a fifth for wheat; as a result, cash receipts for food grains rose 19 percent, with rice receipts up 27 percent and wheat receipts up 19 percent. Vegetable receipts climbed 20 percent, led by increases for onions (52%), potatoes (37%), and dry beans (26%). Despite a doubling of peanut receipts, the total for oilseeds was pushed lower by a 13-percent decline in soybean receipts. Receipts for feed grains were unchanged from 1980, as gains for sorghum (7%) and barley (29%) were offset by a 3-percent decline in corn receipts.

Cash receipts from marketings of livestock and products totaled \$68.5 billion, up from the \$67.8 billion of 1980 and nearly equal to 1979's record of \$68.6 billion. Marketing volume from the record large livestock output rose slightly in 1981, while prices received by farmers for all livestock and products fell 1 percent. Dairy receipts climbed 9 percent, as milk production rose 3 percent and milk prices about 6 percent. Poultry and egg receipts rose 8 percent, led by eggs (up 12%) and broilers (up 8%); turkey receipts fell about 2 percent in 1981, as lower prices more than offset larger marketings.

After falling nearly 7 percent in 1980, cash receipts for meat animals declined another 4 percent last year. Cattle receipts, reflecting lower prices, fell 7 percent and sheep and lamb receipts 12 percent. However, cash receipts for hogs rose 10 percent to a record \$9.8 billion, as higher hog prices more than offset last year's smaller production.

Production Expenses, 1978-81

	1978r	1979r	1980r	1981p
	\$ Million			
Feed	14,466	17,766	18,616	18,905
Livestock	10,150	12,688	10,539	8,916
Seed	2,638	2,960	3,351	3,956
Farm-origin inputs	27,254	33,414	32,508	31,777
Fertilizer	6,619	7,530	9,922	10,074
Fuels and oils	4,609	6,264	8,099	9,298
Pesticides	2,656	3,057	3,317	3,727
Repair and operation	6,617	7,280	7,997	8,440
Hired labor	8,347	9,429	10,411	11,113
Machine hire	1,776	2,257	2,247	2,940
Short-term interest	4,902	6,576	8,455	10,838
Other operating expenses	6,947	7,858	8,298	9,706
Depreciation	17,349	19,681	21,976	23,779
Taxes	3,603	3,910	4,184	4,542
Real estate interest	5,073	6,102	7,309	8,876
Net rent to nonoperator landlord	4,831	5,340	5,737	6,526
Nonfarm origin inputs	73,329	85,284	97,952	109,861
Total production expenses	100,583	118,698	130,460	141,638

r = revised. p = preliminary. Totals may not add due to rounding.

...But Production Expenses Climbed Faster

Based on new information from the 1982 Farm Production Expenditures Survey, 1981 farm production expenses are estimated at \$141.6 billion, up more than 8 percent from the revised 1980 estimate of \$130.5 billion. In constant (1972) dollars, expenses fell 1 percent. Actual 1981 expenses were somewhat higher than forecast for short-term interest, fertilizer, and net rent to nonoperator landlords, while those for livestock, seed, and machine hire and custom work were lower. Nearly all the increase in 1981 expenses came from inputs originating off the farm.

Expenses climbed the most last year for machine hire and custom work (up 31%), short-term interest (up 28%), real-estate interest (up 21%), seed (up 18%), and fuels and oils (up 15%). Price hikes raised fuel and oil expenses, while the larger crop and higher prices

raised those for machine hire and custom work. Interest expenses rose because of more borrowing and higher rates. The large rise in seed expenses—reflecting the sharply higher prices of seed for potatoes (up 124%), soybeans (up 35%), and hybrid corn (up 14%)—was due in part to reduced seed production caused by the 1980 drought.

Miscellaneous operating expenses rose 17 percent in 1981 because of sharp gains for electricity, cotton ginning (because of the large 1981 cotton crop), and insurance (fire, wind, crop hail). Smaller expense increases were recorded for feed (up 2%), fertilizer (up 2%), repair and operation (up 6%), and hired labor (up 7%). The rise in fertilizer expenses was held down by a reduction in the use of potash and phosphates, which offset a small increase in nitrogen use—leaving total fertilizer use down about 6 percent for the year.

Expenses for inputs of nonfarm origin jumped about 12 percent and accounted for more than 77 percent of the total—up from 75 percent in 1980 and 69 percent in 1972. As in 1980, the larger share resulted from large gains in interest charges and the cost of manufactured inputs, including fuel and electricity.

Interest expenses rose substantially in 1981, accounting for 35 percent of the \$11.2-billion rise in total expenses. Total interest expenses (short-term and mortgage) amounted to \$19.7 billion—representing 13.9 percent of the total, up from 12.1 percent in 1980 and 7.5 in 1972. Short-term interest charges accounted for 7.7 percent of total expenses in 1981, up from 6.5 percent in 1980 and 3.4 in 1972; mortgage interest charges represented 6.3 percent, up from 5.6 percent in 1980 and 4.1 in 1972.

Average total debt outstanding has risen rapidly in the past few years; in 1981, it was \$185.0 billion, up 11 percent from 1980 and 197 percent from 1972. This increasing debt burden has been as significant as higher interest rates in boosting farmers' interest payments. However, farm debt has been rising steadily for many years, while rising interest rates have only been a major factor since 1979.

Farm Income from Other Sources Rose in 1981

Farm income from sources other than farm marketings (direct Government payments, other cash income, and non-money income) increased 15 percent in 1981 to about \$17.7 billion. Direct Government payments totaled about \$1.9 billion, up \$0.6 billion from 1980. First-quarter disaster payments, fourth-quarter deficiency payments, farmer-owned reserve storage payments, and the emergency livestock-feed program accounted for most of the increase in total payments.

Disaster payments made in 1981 for the drought-reduced 1980 crop amounted to about \$660 million and were fairly evenly distributed among producers of feed grains (\$201 million), wheat (\$234 million), and cotton (\$223 million). Rice farmers received about \$2 million. Deficiency payments totaled about \$440 million, with most going to wheat (\$393 million) and barley (\$45 million) farmers. Farmer-owned reserve storage payments—totaling \$268 million—were concentrated in the fourth quarter, while emergency feed payments—also totaling \$268 million—were made mainly during the first two quarters.

Net Cash Income and Cash Flow, 1978-1981

Statistic	1978r	1979r	1980r	1981p
\$ Billions				
Cash Receipts:				
Crops	53.7	63.1	71.7	75.0
Livestock	58.8	68.6	67.8	68.5
Total	112.5	131.7	139.5	143.5
Direct Government payments	3.0	1.4	1.3	1.9
Other cash income ¹	1.2	1.5	1.6	1.9
Total cash income	116.7	134.6	142.4	147.3
Total cash expenses ²	81.7	97.6	106.6	115.8
Net cash farm income	35.0	37.0	35.8	31.5
Change in loans:				
Real estate	6.6	11.0	8.6	9.0
Nonreal estate	8.3	10.0	7.1	6.2
Rental income	5.5	6.1	6.5	7.4
Total ³	55.4	64.1	58.0	54.1
Capital expenditures	17.9	19.9	18.2	17.6
Net cash flow	37.5	44.2	39.8	36.5

r = revised. p = preliminary. ¹ Income from recreation, machine hire and custom work. ² Does not include expenses associated with farm operator dwellings. ³ Sum of net cash income, change in loans, and rental income.

Other cash income of \$1.9 billion includes income from farm recreational activities and machine hire and custom work. Revisions based on the 1978 Census of Agriculture for income from machine hire and custom work income left this category about \$700 million lower last year than it would have been otherwise. Nonmoney income of \$13.9 billion consists of \$12.7 billion for the imputed rental value of farm dwellings and \$1.2 billion for the value of farm products consumed directly on the farm. Home consumption of crops totaled \$0.2 billion, with livestock consumption totaling \$1.0 billion.

The Inventory Value Rose Sharply...

The value of the change in net farm inventories is now estimated at \$5.5 billion for 1981, a sharp turnaround from the revised drop of \$4.3 billion for 1980. The value of the change in crop inventories is estimated at \$5.2 billion—pushed up by 1981's record large crops, which replenished stocks drawn down by the drought-reduced 1980 crops. The value of the change in livestock inventories is estimated at \$0.3 billion, reflecting higher cattle inventories only partly offset by fewer hogs.

The net inventory change has been unusually volatile for the past few years—fluctuating from \$5.6 billion in 1979, to minus \$4.3 billion in 1980, and up again to \$5.5 billion in 1981.

Net Farm Income, 1978-1981

Statistic	1978r	1979r	1980r	1981
\$ Billions				
Cash Receipts:				
Crops	53.7	63.1	71.7	75.0
Livestock	58.8	68.6	67.8	68.5
Total	112.5	131.7	139.5	143.5
Value of inventory change	-0.2	5.6	-4.3	5.5
Direct Government payments	3.0	1.4	1.3	1.9
Nonmoney and other farm income ¹	10.7	12.6	14.1	15.8
Gross farm income	126.0	151.3	150.6	166.8
Production expenses	100.6	119.0	130.5	141.6
Net Farm Income:				
Before inventory adjustment	25.6	26.7	24.4	19.6
After inventory adjustment	25.4	32.4	20.1	25.1
Deflated net (1972\$) ²	16.9	19.9	11.4	13.0

r = revised. ¹ Income from recreation, machine hire and custom work, imputed rental value of operator dwellings, and farm products consumed on the farm. ² Deflated by the GNP implicit price deflator.

The \$9.8-billion "spread" in inventory values between 1980 and 1981 accounts for much of the variation between 1980 and 1981 net farm incomes.

...Pushing Adjusted Net Farm Income Higher
After inventory adjustment, net farm income totaled \$25.1 billion last year, an increase of 25 percent from 1980. In constant (1972) dollars, the increase was about 14 percent. Realized (before inventory adjustment) net farm income was \$19.6 billion, down about 20 percent from 1980. In constant (1972) dollars, the decrease was about 27 percent. Deflated (1972 \$) income per farm from farm sources, after inventory adjustment, is estimated at \$5,323, up from \$4,679 in 1980.

Net cash income was down 12 percent to \$31.5 billion in nominal terms but down 18 percent in 1972 dollars. The farm sectors' net cash flow declined 8 percent in 1981.

Structure and Machinery Expenditures Down Again Last Year,
Structure and machinery expenditures declined in 1981 for the second consecutive year. Total expenditures (including operator dwellings) for capital items fell about 5 percent—to \$18.9 billion—as fewer purchases outweighed higher prices for machinery and structures. Expenditures fell the most for operator dwellings (down 27%), while spending on tractors and automobiles increased—up 3 and 13 percent, respectively.

Early each summer, detailed farm income estimates for the previous year are completed, and statistics for the 3 preceding years are revised to reflect the most recent data available on income and expenses.	generally not known. As a result, total production expenditures for the previous year remain preliminary until the expenditure survey data become available around midyear.
One of the major sources of new information is the Farm Production Expenditures Survey, which is conducted each winter to collect data from farmers on their production expenses during the previous calendar year. Although some price information is available on inputs during the year, actual quantities used by farmers are	New and revised data are also available for 1981 on prices received by farmers, production and disposition of crop and livestock products, and commodity marketing patterns. ¹
¹ Crop marketings during calendar 1981 include percentages of the 1980 crop as well as the 1981 crop marketed in calendar 1981.	

FARM BALANCE SHEET:

Assets Level, Debt Up —Equity Down
The farm sector's balance sheet in 1981 reflected low farm incomes as well as general economic trends of high interest rates and slowing inflation. The value of total assets in the farm sector, including household assets, remained unchanged from last year, measured in current dollars. However, total debt rose 11.2 percent to \$195 billion, causing equity value to decline 2.0 percent, the first drop since 1961. The average net worth per farm (in current dollars) declined from \$376,000 to \$368,000.

Adjusted for inflation (as measured by the December-to-December Consumer Price Index), total assets fell 8.1 percent during 1981. Total equity and equity per farm showed declines of 10.1 percent. High interest rates and slowing inflation have similarly depressed asset values elsewhere in the economy.

The debt-to-asset ratio for the farm sector increased from 16.1 percent to 17.8 percent in 1981. For comparison, the ratio for all manufacturing in fourth-quarter 1981 was 51 percent and that for mining 61 percent. The leverage ratio (debt-to-equity) rose 2.6 percentage points to 21.7 percent, indicating that farmers will have more difficulty in obtaining loans. Debt exceeded equity in both the mining and manufacturing sectors of the economy in fourth-quarter 1981.

Farm Balance Sheet¹

	1979r	1980r	1981r	1982p
\$ Million				
Assets				
Physical assets:				
Real estate	654,965	755,854	829,992	823,822
Nonreal estate:				
Livestock and poultry	51,340	61,374	60,808	53,617
Machinery & motor veh. . . .	85,078	96,749	102,761	111,391
Crops stored.	28,035	33,534	35,904	*37,266
Household equip. & furn. . .	15,979	17,238	19,359	21,653
Financial assets:				
Deposits and currency	15,488	15,864	16,179	16,755
U.S. savings bonds	4,211	4,035	3,812	3,612
Investments in coops.	18,340	20,151	*22,355	*24,544
Total Assets	873,436	1,004,798	*1,091,170	*1,092,660
Liabilities				
Liabilities:				
Real estate debt.	70,833	82,678	92,018	102,045
Nonreal estate debt:				
Excluding CCC loans.	59,998	70,701	78,160	84,797
CCC loans	5,666	5,070	4,978	8,008
Total Liabilities	136,497	158,449	175,156	194,850
Proprietors' equity	736,939	846,349	*916,014	*897,810
Number				
Number of farms	2,429,960	2,427,830	2,435,810	2,437,030
Dollars				
Per farm assets.	359,445	413,867	*447,970	*448,357
Per farm debt	56,173	62,263	71,909	79,954
Per farm equity	303,272	348,603	*376,061	*368,403
Percent				
Debt-to-asset ratio	15.6	15.8	*16.1	*17.8
Debt-to-equity ratio	18.5	18.7	*19.1	*21.7

¹As of January 1 of year indicated; including farm households. r = revised. p = preliminary.
*These figures are not the final numbers for these items. Substantial revisions could occur in the value of crop inventory for Jan. 1, 1982.

Decline in Farmland Values Offset Gains in Other Assets

Since real estate accounts for 75 percent of the value of total farm assets, last year's decline in farmland values had the biggest impact on the total asset value. The value of farmland increased during the first three quarters of 1981, but began to decline during the fourth quarter. This decline continued into the first quarter of 1982. The small increase in the number of acres partially offset the 1 percent decrease in the average price per acre.

On January 1, 1982, the inventory value of all categories of livestock and poultry was lower than a year earlier. The value of cattle and calf inventories dropped the most, as the value per head fell \$60. The value per head for hogs and pigs and for sheep also declined. The number of cattle and calves and sheep increased, while the number of hogs and pigs and chickens decreased.

Figures on crop inventory volume for January 1, 1982, show large increases for food, feed, and oil crops (except for rye and oats). The inventories of other commodities also increased, but these rises generally were small. The large crops produced in 1981 caused farm prices to decrease. Preliminary crop inventory numbers indicate that the large grain stocks will outweigh lower prices to raise the crop inventory value.

The value of machinery inventory climbed 8.4 percent during 1981. The number of machines used on farms declined, with tractors showing the largest drop—2.0 percent. The higher cost of replacing current machinery, however, caused the machinery inventory value to rise.

The value of farmers' household equipment and furnishings increased 11.8 percent during 1981. The value of financial assets (excluding the net worth of cooperatives) rose 1.9 percent, as many farmers postponed purchases of farm machinery and other items. Preliminary data on farmer cooperatives indicate that their net worth increased 9.8 percent during 1981.

Total Farm Debt Rose Substantially

The amount of outstanding farm real-estate debt on January 1, 1982, was 10.9 percent above a year earlier. Debt held by Federal land banks increased the most—21.2 percent. Outstanding loans at the Farmers Home Administration (FmHA) rose 13.3 percent. Loans held by life insurance companies and individuals increased, while those held by commercial banks decreased.

Total nonreal estate farm debt—including Commodity Credit Corporation (CCC) loans—climbed 12.4 percent from the previous year. The CCC had the largest percentage increase—60.9 percent—reflecting last year's low commodity prices and the plentiful crop. Nonreal estate farm debt outstanding at FmHA rose 22.9 percent, while that at commercial banks was up only 4.4 percent. [Gary Lucier (202) 447-4190 and Linda Farmer (202) 447-8342]



World Agriculture and Trade

The U.S. dollar is expected to remain highly valued throughout 1982, although it may weaken slightly against some currencies later in the year. Keeping the dollar's value up will be high U.S. interest rates and a relatively low inflation rate, which will be attracting funds from overseas investors. In addition to other economic and political factors, high interest rates and declining inflation were the driving forces behind the dollar's 25-percent appreciation against other major currencies from late 1980 through May 1982. The strong dollar may keep prices of U.S. agricultural exports high in terms of foreign currencies.

Dollar Will Stay Strong
From early January to early June 1982, the dollar rose, on average, almost 8 percent against major currencies—almost returning to its peak of last year. For the rest of the year, the dollar will likely stay near its present high value.

U.S. Dollar Remains Strong

One U.S. dollar buys this many:

	German marks	Japanese yen	British pounds	Dutch guilders	Canadian dollars
1978	2.009	210.44	.5210	2.164	1.141
1979	1.833	219.14	.4713	2.006	1.171
1980	1.818	226.75	.4299	1.988	1.169
1981					
January	2.008	202.00	.4158	2.182	1.191
February	2.144	205.89	.4355	2.337	1.199
March	2.109	208.82	.4486	2.333	1.191
April	2.160	215.14	.4591	2.393	1.191
May	2.292	220.66	.4785	2.545	1.201
June	2.376	224.20	.5061	2.641	1.204
July	2.440	231.96	.5331	2.715	1.212
August	2.501	233.89	.5497	2.779	1.223
September	2.357	230.02	.5511	2.616	1.201
October	2.252	231.37	.5426	2.487	1.203
November	2.225	223.74	.5257	2.441	1.187
December	2.258	218.84	.5247	2.475	1.185
1982					
January	2.292	224.59	.5300	2.513	1.192
February	2.367	235.17	.5415	2.596	1.214
March	2.379	240.72	.5531	2.619	1.220
April	2.397	244.86	.5649	2.662	1.225
May	2.318	237.44	.5548	2.573	1.232
June	2.427	251.20	.5685	2.680	1.275

Source: June, *Wall Street Journal*. Earlier months, *International Financial Statistics* (International Monetary Fund).

Short-term interest rates have contributed the most to the dollar's appreciation over the last year and a half. From mid-1980, when U.S. Treasury bill rates averaged around 9 percent, rates climbed to almost 16 percent last August before declining to 12 percent in early June 1982. Foreign interest rates have generally been somewhat lower. High interest rates push the dollar up as the higher yields on U.S. assets attract foreign investors, who must first purchase dollars to buy the assets. Thus, increased demand for the dollar raises its value.

Dollar investments have become even more attractive since January 1982, as inflation in the United States has declined more rapidly than interest rates.

Thus, real interest rates—interest rates adjusted for inflation—have risen even as nominal interest rates—rates not adjusted for inflation—have declined. Real interest rates have increased overseas as well, but not as much as in the United States.

Many economic forecasters think that U.S. interest rates will stay high and that the U.S. inflation rate will be fairly stable through the end of the year. If these forecasts are correct, real interest rates for dollars will stay near their current levels—around 6 percent in the Eurocurrency markets.

Under present policies, overseas interest rates are likely to increase somewhat once the foreign economies recover strength and demand for credit rises. Shifts in the relationship between real interest rates here and those abroad will be a major factor in changing the dollar's value.

The Yen and the Mark Could Rise Later this Year

The two currencies most likely to appreciate against the dollar before the end of the year are the Japanese yen and the German mark. Strength in these currencies should come as a result of the German and Japanese trade positions vis-a-vis the United States. Both countries' trade accounts have been in surplus since January, and their exports stand to increase after the U.S. tax cut takes effect in July. The yen and the mark will gain from this growth in export sales, as will the currency of any other country whose exports increase.

With present monetary policies, Germany's interest rates will probably remain stable or even decrease a bit by yearend. Because German inflation is declining, real interest rates would then increase slightly or stay level. Real interest rates in Japan are very low, reflecting low nominal rates combined with moderate inflation. The Government has raised interest rates since March to stabilize the yen, but Japan does not have a high interest rate policy in effect.

1980-81: Dollar Boosted by Rising Interest Rates and Political Events

In the fourth quarter of 1980, U.S. interest rates rose 4.5 points and the inflation rate fell to 12.5 percent—down from 14.5 percent in the second quarter. For the first time since the fourth quarter of 1973, real interest rates (the Treasury bill rate less the previous four quarters' inflation rate) turned positive, and they have remained positive since. At the same time, U.S. rates moved to within 2 percentage points of most real overseas interest rates. During the three previous quarters, real rates overseas had been as much as 7.7 points above U.S. rates, adding to the dollar's weakness.

With real yields in the United States finally turning positive again, dollar assets attracted foreign investors—strengthening the dollar in late 1980 and early 1981. International disturbances, particularly the Soviet invasion of Afghanistan and fears about a

Soviet invasion of Poland, added to the dollar's strength at about the same time. More recently, the dollar gained in value because of fighting in the South Atlantic and in Lebanon.

Economic conditions also helped boost the dollar's value in late 1980 and in 1981. Foreign economies weakened last year, especially those in Europe. Faster growth in the United States attracted foreign investment funds, as did rising interest rates.

Of the major foreign currencies, the dollar has advanced most significantly against the French franc—39 percent since the fourth quarter of 1980. Against the British pound, the Dutch guilder, the German mark, and the Swiss franc, the dollar has gained 33, 26, 23, and 17 percent, respectively. The Canadian dollar and the Japanese yen have fallen less—5 and 11 percent, respectively.

Implications for U.S. Agriculture: Weaker Farm Exports May Partly Reflect the Stronger Dollar

The dollar's appreciation may raise the price of U.S. products when purchased in foreign currencies. Yet, because of the characteristics of some agricultural markets and because of some countries' policies, it is difficult to measure how much the stronger dollar limits U.S. agricultural exports.

A comparison of U.S. export prices for wheat, corn, and soybeans with Rotterdam import prices in guilders illustrates how a strong dollar can raise foreign prices. From April 1981 to April 1982, the export price for wheat fell 6 percent, the price for corn 18 percent, and that for soybeans 16 percent. Conversely, the price for wheat in guilders increased 9 percent, and guilder prices for corn and soybeans fell only 10 and 9 percent, respectively. During this period, the guilder depreciated about 11 percent against the dollar.

The difference between movements in U.S. export prices and foreign import prices cannot always be explained by movements in the dollar. Indeed, the dollar's appreciation seems to have made no impact on some countries' import prices. As an illustration, between March 1981 and March 1982, Japanese import prices for U.S. wheat, corn, and soybeans moved roughly in line with the change in U.S. export prices, despite a 16-percent depreciation of the yen. During this period, U.S. export prices for wheat, corn, and soybeans fell 4, 20, and 16 percent, respectively; Japanese import prices for these commodities declined 3, 17, and 16 percent, respectively. (Art Morey (202) 447-8470)

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the August *Agricultural Outlook* comes off press.

July

- 26 Cattle
- 30 Agricultural Prices

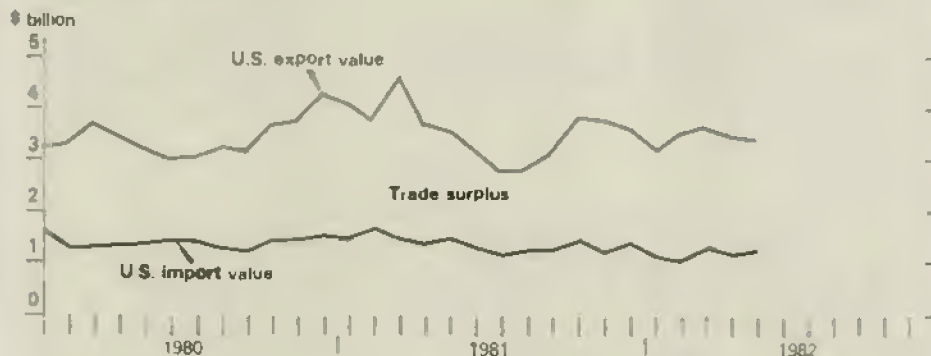
August

- 1 Poultry Slaughter
- 9 Vegetables
- Egg Products
- 10 Crop Production
- 14 Cattle on Feed
- 22 Soybean Stocks
- Hogs & Pigs
- 23 Eggs, Chickens, & Turkeys
- 24 Citrus Fruits

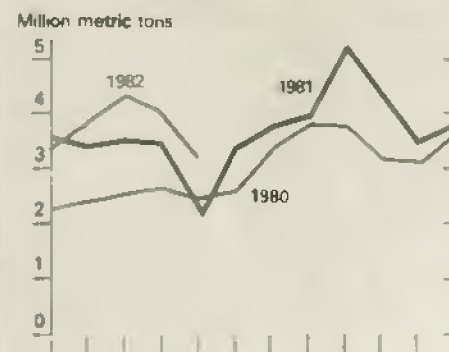
Reports available through subscription only. For subscription information, write or call: Jerry Clampet, SRS-Crop Reporting Board, Rm. 5809-South Bldg., Washington, D.C. 20250 (202) 447-2130.

U.S. Agricultural Trade Indicators

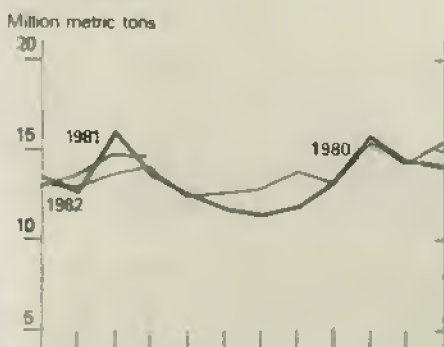
U.S. agricultural trade balance



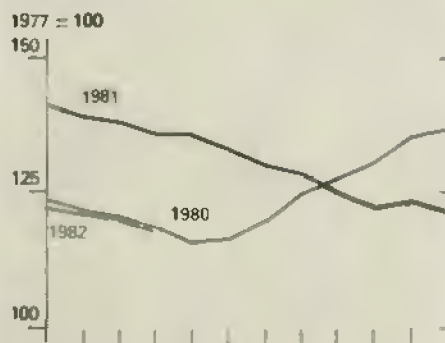
U.S. wheat exports



Export volume



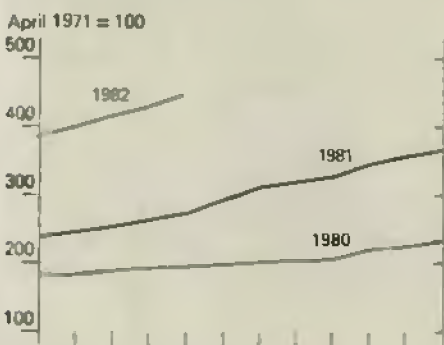
Export prices



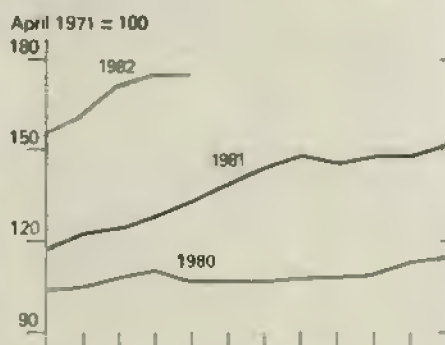
U.S. corn exports



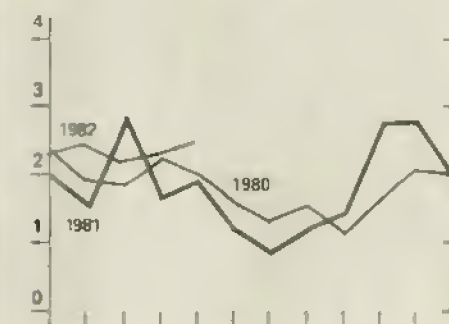
Wheat exchange rate*



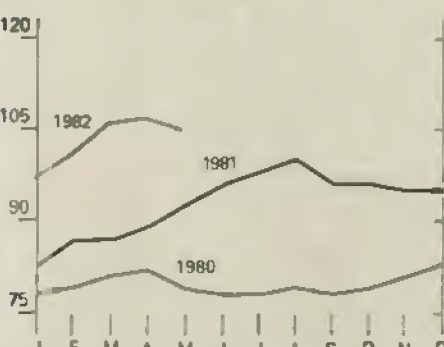
Corn exchange rate*



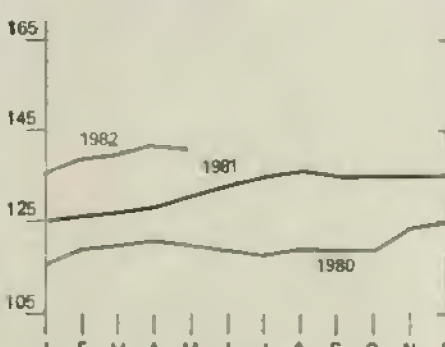
U.S. soybean exports



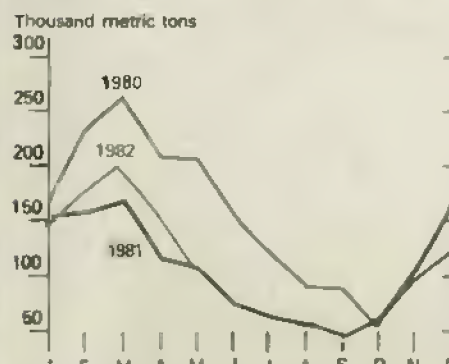
Soybeans exchange rate*



Cotton exchange rate*



U.S. cotton exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.



Inputs

FARMLAND VALUES UPDATE

The average value of U.S. farmland declined 1 percent between February 1981 and April 1982. This decline contrasts sharply with the 13-percent average annual increase of the 1970's and 1980's 9-percent gain. It was the first decline recorded by USDA since 1953, when land values also fell 1 percent.

High interest rates and the general economic recession are affecting the farmland market, as well as the markets for residential land and housing. The downward trend in price gains for all three markets during 1979-81 suggest that these factors may be combining with net farm income to determine current farmland values. In 1981, the 1-percent decline in farmland values was more than matched by a 2-percent decline in the value of residential land. The price index for new one-family houses increased last year, but by only 6 percent—about 2 percentage points less than the general inflation rate.

Price Gains in Real Estate Markets Down

Percentage change in Prices for:

	Farmland ¹	Residential land ²	New houses ³
1977	9	14	13
1978	15	13	15
1979	16	12	12
1980	9	11	10
1981	-1	-2	6

¹USDA farmland price index. Changes are for February of the given year to February of the following year, except for 1981, which is Feb. 1981 to April 1982. ²Homer Hoyt Institute residential land price index, as published in *Land Review*. Changes are for February of the given year to February of the following year, except for 1981, which is Feb. 1981 to Dec. 1981. ³Census Bureau price index for new one-family houses. Changes are for the first quarter of the given year to the first quarter of the following year.

Value Change Varied Greatly From State to State

Changes in farmland values over the past year varied greatly by State. Of the 48 States surveyed by USDA, 22 showed declines in farmland values and 26 showed increases. Farmland values rose in all States in the Southern Plains, Mountain, and Pacific regions. Texas recorded the largest gain—17 percent. Values rose 10 percent in California and West Virginia and 6 percent in Montana. The largest declines occurred in the Corn Belt, with farmland values falling 15 percent in Ohio, 13 percent in Indiana, 9 percent in Illinois, and 7 percent in Iowa and Missouri. Other large declines were recorded in Delaware—down 10 percent—and Pennsylvania and Georgia—down 8 percent.

The declines in farmland values were more severe after adjusting for inflation. From February 1981 to April 1982, the Consumer Price Index (CPI) increased about 8 percent while farmland values were dropping 1 percent, so the real value of U.S. farmland declined by roughly 9 percent. This followed a real decline of 2 percent in

1980, when farmland values rose 9 percent and the CPI 11 percent. In contrast, the real value of farmland rose an average of 6 percent a year during the 1970's.

Last year, the real value of farmland declined in all States except West Virginia, Texas, and California. Only 4 of the 48 States surveyed now have real farmland values above the levels of February 1980. The land market in the Corn Belt has suffered the most. The real value of Corn Belt farmland has dropped 19 percent over the last 2 years. Over the same period, real farmland values in the rest of the United States declined 5 percent on average.

In general, values dropped most in areas that had the largest gains during the 1970's, and values rose in areas having the smallest rises of the 1970's. Land values in the Corn Belt and Lake States jumped 350 and 325 percent from 1970 to 1980, while values in the Southern Plains and Pacific States rose 190 and 156 percent, respectively.

Fewer Voluntary Sales Reported

The decline in farmland values has been accompanied by fewer voluntary sales of farm real estate. The number of forced sales and foreclosures, on the other hand, has been rising. Some reports indicate these forced sales have produced prices much lower than would normally be obtained. However, these sales, although well publicized, are still quite few in number. Farm foreclosures in 1980 totaled only 2,900—about 1 per 1,000 farms. This year, the Farmers Home Administration (FmHA) reports that less than 5 per 1,000 of its borrowers are being foreclosed or forced to sell some assets. The rate for all lenders is probably less, since the FmHA provides loans to those who are generally less creditworthy.

Behind the Decline: Low Farm Incomes, High Interest Rates

The recent decline in farmland values may be partly due to a change in farmers' expectations about future long-term growth in the real returns from farmland investment. Since 1950, the real earnings of farm assets have grown an average of about 4 percent a year. Past levels of farmland values reflected the expectation that this growth rate would continue. With the recent declines in farm income, farmers' expectations about earnings growth may have shifted downward.¹ Furthermore, expectations of inflation may have also declined.

A contributing factor to last year's declines in average farmland values was the low net farm incomes of 1980 and 1981, plus the prospect of continued low incomes in 1982. High mortgage interest rates also helped to weaken the market.

The slide in net farm income reflects a cost-price squeeze that began in the second half of 1979 and persists today. Farm input prices have risen 19 percent since 1979, while prices for farm output have risen only 5 percent.

The low incomes in 1980 and 1981 reduced farmers' ability—and incentive—to purchase farmland for expanding operations. In addition, they made it necessary for some operators to liquidate some of their assets to reduce debts. Thus, the supply of farmland on the market rose at a time when farmers were least able to buy. As a result, the rise in land values slowed in 1980, and then declined in 1981.

High mortgage interest rates have also contributed to the decline in land values. Interest rates at Federal Land Banks (FLBs) have increased an average of 1 percentage point a year since 1978, from 8.3 percent to the current 12.2. Rates have also climbed at other farm lending institutions. Land sellers have increasingly been forced to offer low-interest credit as an inducement to buyers. [Ron Jeremias (202) 447-7340]

Farm Real Estate Values Declining in Some States

	1979 ¹	1980 ¹	1981 ¹	1982 ²
	1977=100			
Northeast:				
New England States ³	126	135	143	*149
New York	113	119	126	132
New Jersey	111	120	123	*128
Pennsylvania	127	140	144	133
Delaware	129	151	158	*143
Maryland	133	166	188	178
Southeast:				
South Carolina	114	130	137	136
Georgia	116	132	139	128
Florida ⁴	120	141	157	149
Alabama	120	149	176	174
Lake States:				
Michigan	124	138	157	152
Wisconsin	139	159	179	174
Minnesota	131	154	179	174
Corn Belt:				
Ohio	138	156	160	137
Indiana	130	150	161	140
Illinois	125	135	144	131
Iowa	119	139	150	139
Missouri	127	154	165	153
Appalachian:				
Virginia	128	139	149	143
West Virginia	126	150	160	177
North Carolina	122	141	155	149
Kentucky	133	147	153	154
Tennessee	122	136	146	138
Delta States:				
Mississippi	129	156	198	189
Arkansas	137	163	188	196
Louisiana	132	169	200	199
Northern Plains:				
North Dakota	119	136	145	149
South Dakota	132	141	150	150
Nebraska	120	137	151	143
Kansas	117	134	137	136
Southern Plains:				
Oklahoma	121	143	156	164
Texas	124	144	158	185
Mountain:				
Montana	121	142	148	157
Idaho	117	134	144	*151
Wyoming ⁵	118	126	135	140
Colorado	126	147	161	164
New Mexico ⁵	126	166	178	185
Arizona ¹	126	167	179	186
Utah ⁶	127	169	181	188
Nevada ³	134	178	190	198
Pacific:				
Washington	118	124	146	*152
Oregon	120	132	144	*145
California	138	166	201	221
U.S. Total (48 States)	125	145	158	157

¹ Change from Feb. of previous year. ² Change from Feb. 1981 to April 1982. ³ Combined estimates of the change in average land values for Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. ⁴ Estimated using the average of percentage changes in Georgia and Alabama indexes. ⁵ Estimated using the average of percentage changes in Montana, Idaho, and Colorado indexes. ⁶ USDA's 1982 land value survey results were unreliable for these States because of insufficient responses; the estimates shown here are based on information from specialists familiar with recent transactions and farmland markets.

¹ See Emanuel Melichar, "Farm Sector Financial Experience," mimeograph, Board of Governors of the Federal Reserve System, March 31, 1982.



Food and Marketing

1982 FOOD PRICE UPDATE

Retail food prices in 1982 are expected to average 5 to 6 percent above last year, the lowest annual increase since 1976. Mainly responsible for moderating this year's food price rise are the small gain anticipated for the farm value of foods and the marked slowing of food marketing costs. The farm value of foods is expected to average 2 to 4 percent above 1981's level, the third small annual gain in a row. The farm-to-retail price spread will be up 6 to 7 percent this year, the smallest annual rise since 1977. In addition, retail prices for imported foods and fish will likely rise 4 to 6 percent.

Marketing Cost Inflation Down Dramatically

Through May of this year, food marketing costs averaged 6.7 percent above the first 5 month of 1981, down from the 12.1-percent rise measured for this period between 1980 and 1981.

Food Marketing Costs Rising Much More Slowly

	Change from same period, previous year	
	January-May, 1981	January-May, 1982p
	Percent	
Consumer price Index	10.7	7.2
Food marketing costs	12.1	6.7
Labor	11.5	7.2
Manufacturing	9.6	7.9
Wholesaling	9.5	8.9
Retailing	14.3	5.8
Packaging	7.2	0.7
Paperboard and paper products	10.8	2.9
Tin cans	7.3	3.9
Polyethylene resin	-4.0	-15.9
Glass containers	13.1	10.0
Metal foil	8.1	8.3
Wooden boxes	3.9	2.3
Fuel and power	20.9	5.7
Electricity	15.3	14.1
Fuel oil	27.4	-3.6
Natural gas	14.9	16.6
Coal	4.3	9.8

p = preliminary.

This dramatic slowdown in marketing costs—largely due to the recession, which has reduced demand throughout the economy—is significant because these costs play a dominant role in determining retail food prices. The farm-to-retail price spread, which reflects food marketing charges, accounts for about 65 percent of grocery store food prices and, consequently, has been the largest contributor to rising prices for food at home in 7 of the last 8 years.

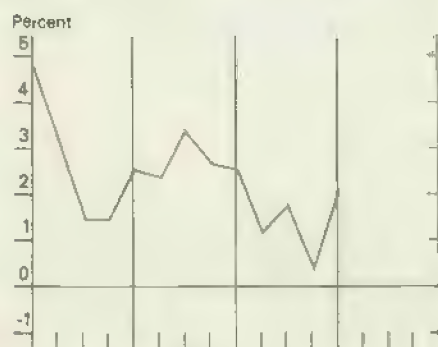
• **Labor.** Weakness in food-industry labor markets has limited marketing cost increases so far this year. As workers have focused more on job security, they have negotiated smaller wage and benefit increases in some new contracts. The lower general inflation rate has also moderated cost-of-living wage adjustments, especially important for food retailing workers.

As a result, food industry labor costs have slowed—averaging 7.2 percent above a year earlier through May, down from an 11.5-percent rise in the same period of 1981. Labor costs have been rising more slowly at each major processing level—manufacturing, wholesaling, and retailing—with the greatest moderation occurring at retail.

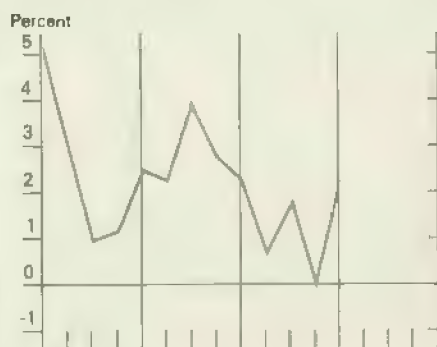
• **Packaging.** In the first 5 months of this year, prices for packaging materials averaged 0.7 percent higher than a year ago, down significantly from the increase in the same period of 1981.

Food and Marketing Indicators

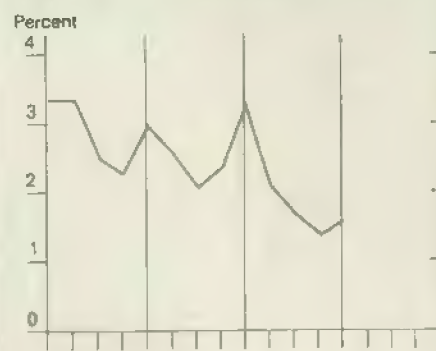
CPI: Total food^o



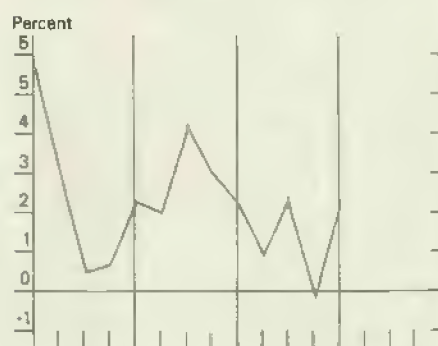
CPI: Food at home^o



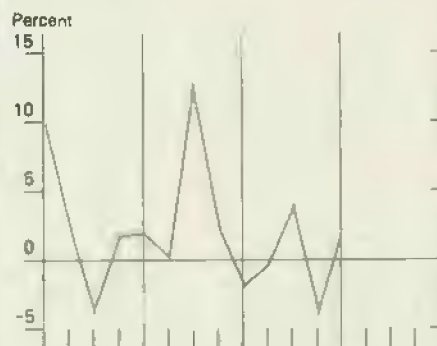
CPI: Food away from home^o



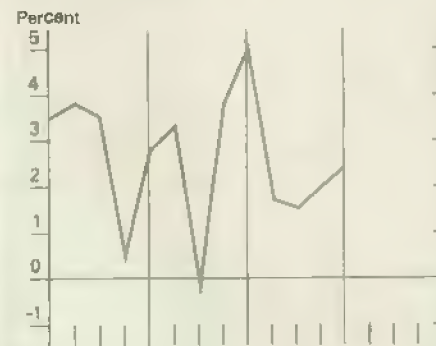
Farm food market basket, retail price



Farm value



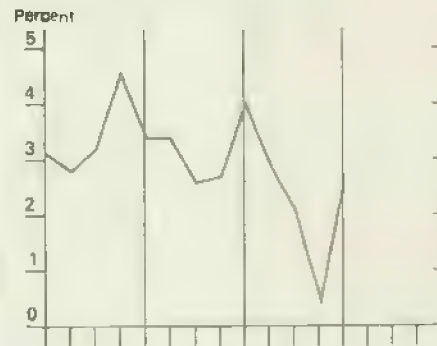
Farm to retail spread



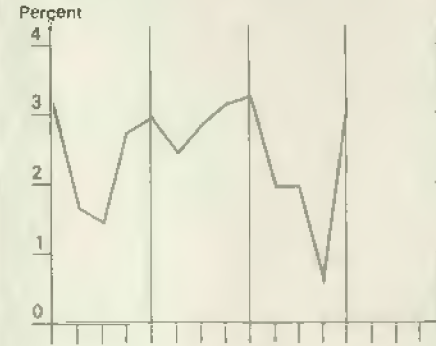
Imported food and fishery products



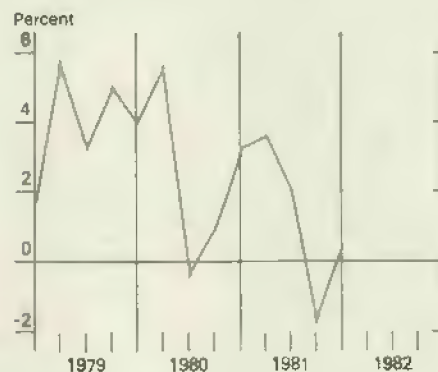
Marketing cost index



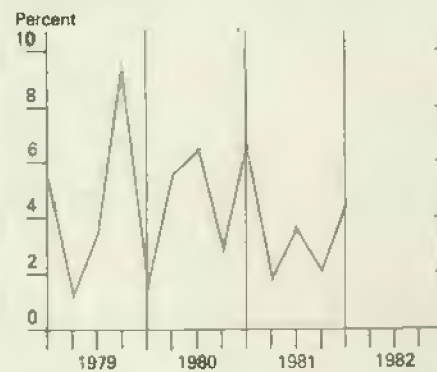
Labor cost



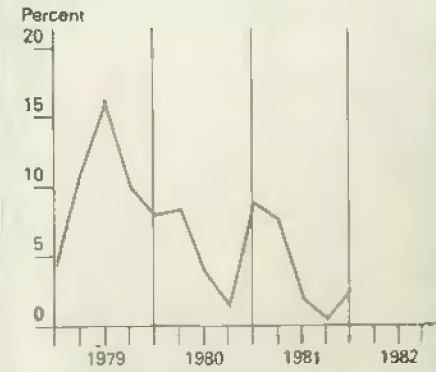
Packaging cost



Rail freight rates



Energy rates



^oCPI unadjusted
All series expressed as percentage change from preceding quarter.

Prices for paperboard and paper products have risen less than a third as much as they did a year ago. Costs for wood pulp—a major input in paper manufacturing—have remained nearly stable over the past year, reflecting large supplies of pulpwood and weak domestic and export demand.

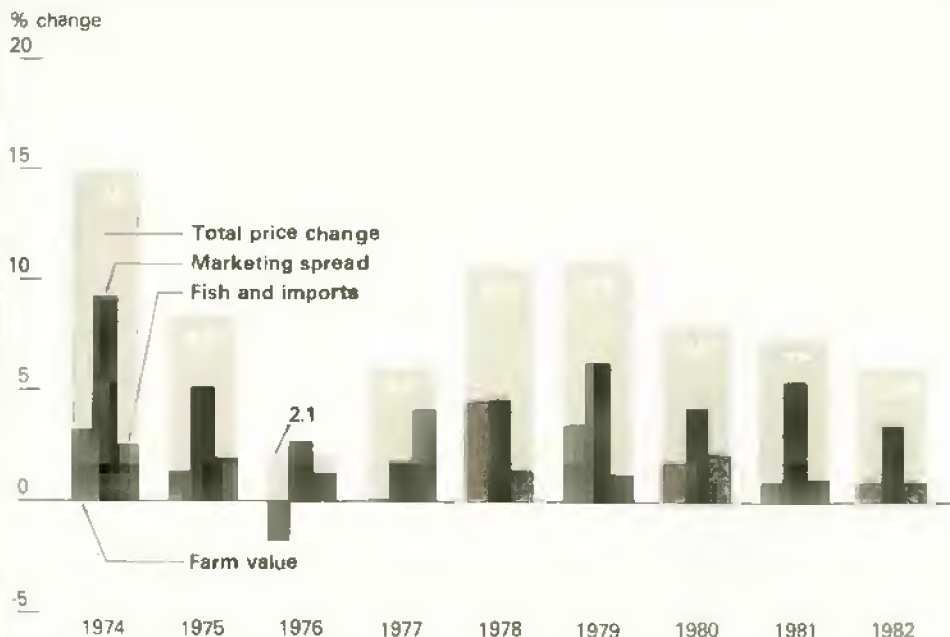
Packaging costs have also been held down by sharply lower prices for polyethylene resin, the main raw material in plastic containers. This reflects recession-weakened demand for plastics in nonfood sectors, as well as moderating prices for the petroleum inputs used in making plastics.

Prices for tin cans and glass containers have also risen less than a year ago. Competition in the container industry is strong because of the ease of product substitution, the low rate of plant capacity utilization, and the increase in container production by food manufacturing firms. However, although prices for glass containers have slowed, they have still risen sharply; this is due to labor cost increases in the glass industry resulting from a contract negotiated in 1980 with the Glass Bottle Blowers Union, plus cost increases for natural gas, the primary energy input.

- **Energy.** Through May, energy costs for food manufacturers and retailers rose only about a fourth as much as a year ago. This slowdown primarily reflects the moderation in fuel oil and diesel prices, a result of large world petroleum supplies and declining petroleum demand. During the first 5 months of 1982, fuel oil prices averaged slightly lower than a year ago—in sharp contrast to the 27.4-percent price rise for this same period of 1981.

Coal prices have risen faster than a year ago, primarily because of increased export demand for coal as an alternative to petroleum products, plus higher domestic labor costs resulting from last year's contract settlement with the United Mine Workers. Higher coal prices and continued high financing costs have kept electricity prices up. Natural gas prices have also continued to increase at a rapid pace, largely as a consequence of phased decontrol.

Marketing Spread Main Contributor To Recent Food Price Rises



Farm value and marketing spread from U.S. farm-food market basket. Total price change from food-at-home index. Bureau of Labor Statistics. 1982 forecast.

The Food Price Outlook by Quarter: Faster Rises Forecast for the Summer

- **First quarter.** Food prices rose at a 7.3-percent annual rate in the first quarter of 1982—the largest increase since 1981's first quarter, mainly reflecting weather-related reductions in meat, fruit, and vegetable supplies. Severe winter weather in January interfered with hog and broiler marketings, pushing retail pork and chicken prices higher early in the year. Retail fruit and vegetable prices also moved up sharply, in part because of the freeze in Florida. In addition, insect damage to California's lettuce crop raised retail lettuce prices.

- **Second quarter.** In the second quarter, food prices rose at less than the first quarter's pace. Prices for most vegetables were down from their first-quarter levels as supplies recovered from the temporary weather-related shortages. Potato prices, however, rose seasonally as storage supplies were being drawn down. Meat prices rose significantly this spring, primarily reflecting lower pork supplies.

- **Third quarter.** Some acceleration in food prices is anticipated for the summer quarter, in part because of stronger food demand resulting from the expected economic recovery and the July 1 tax cut. Moreover, supplies of some foods—pork, in particular—will decline. Pork supplies will be sharply lower in the third quarter because of planned production cutbacks. Consequently, retail pork prices are likely to rise substantially this summer. Also, as consumer demand shifts from pork to other meats, beef and poultry prices could also average above their second-quarter levels.

Consumption of Red Meats Forecast To Decline Sharply

	1939	1961	1971	1980	1981p	1982F
pounds per person, retail weight						
Total animal products . . .	569	609.8	617.2	587.3	583	571
Red meats	126.8	145.4	169.9	159.5	157	146
Beef and veal	50.1	70.5	85.6	77.9	79	78
Pork	60.2	57.7	68.0	68.1	65	55
Other ¹	16.5	17.2	16.3	13.5	13	13
Poultry	17.1	37.7	49.0	60.8	63	62
Eggs	37.9	41.7	39.2	34.6	34	33
Fish	12.7	14.0	15.6	16.8	17	17
Dairy products	361.0	358.0	333.0	308.0	305	306
Animal fats	14.3	13.0	10.5	7.6	7	7

p = preliminary. F = Forecast. ¹ Includes lamb, mutton, edible offals, and game meat.

Seasonal production gains will further reduce vegetable prices in the third quarter. However, fruit prices will be rising over the summer as the citrus harvest slows and apple stocks are reduced. Also, cold April weather in the Southeast combined with crop damage from bad weather in California could limit the seasonal increase in non-citrus production, thereby putting additional upward pressure on summer fruit prices.

Prices for sugar and foods containing sugar will be rising faster in the third quarter. The higher prices will largely reflect the impact of sugar-import restrictions—duties and fees on imported sugar and a sugar import-quota system—imposed to protect the domestic sugar price-support program. The sugar program has had little effect on retail prices so far this year because much sugar was imported before the restrictions were imposed and because lower priced sugar from Thailand continued to be available in the first quarter under the Generalized System of Preferences. However, as those less costly stocks decline, sugar prices will rise.

The rate of increase in fats and oils prices may also quicken this summer. Demand for vegetable oils is expected to strengthen because of diminished lard supplies, a result of lower pork production.

Retail prices for most other foods will continue to rise moderately, because of small increases in marketing costs. Notably, dairy product prices are likely to show little movement in the summer, as production will stay large and the price support will remain at last year's level.

• *Fourth quarter.* Food price movements in the fall and into 1983 will depend on the strength and durability of economic recovery and related increases in consumer incomes and food demand. This will be especially important for meats and for food eaten away from home, food with a demand that's more responsive to changes in consumer incomes. Supplies of many foods will rise seasonally, however, limiting the fourth-quarter food-price rise.

Per-Capita Consumption of Animal Product Foods Down this Year
Total per-capita consumption of animal product foods will decline about 2 percent this year to roughly 570 pounds (retail-weight basis)—the lowest annual level since 1939.

This drop will come mainly on a 7-percent decline in per-capita consumption of red meats. At about 146 pounds per person, red meat consumption would be the lowest since 1961 and well below the record 1971 level of nearly 170 pounds. Pork production is expected to drop sharply in the second half of 1982, pushing annual pork production down about 13 percent; and beef production is expected to be near last year's level, with beef imports near year-earlier levels. Despite significantly lower grain prices, meat production has been affected by continued high interest rates, weak consumer demand caused by the recession, and producers' financial losses over the past 2 years. Another contributing factor may be a longer term decline in demand due to health concerns.

Meanwhile, poultry consumption, although down some from last year's record high, will be the second largest ever—reflecting the long-term expansion of the broiler industry. In contrast, egg consumption will continue its downward trend, the likely result of dietary concerns as well as increased competition from alternative breakfast foods. Fish consumption will remain stable at about 17 pounds per person.

Consumption of dairy products will also stay near last year's level. Fluid milk consumption will continue its downward trend, reflecting increased use of low-fat products and heightened competition from other beverages. Use of processed dairy products will be up this year, partly because of the free distribution of cheese and butter from Government stocks. Consumption of animal fats—lard and other animal fats used in shortening and margarine—will decline, mainly because of lower pork production.

[Paul C. Westcott (202) 447-8801]



Recent Publications

USDA's Economic Research Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader.

Free Reports

The following publications are still available free, while supplies last; to order, write directly to ERS Publications, Rm. 0054-South, USDA, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

- Inflation: A Food and Agricultural Perspective. AER 463.
- Developments in Farm to Retail Price Spreads for Food Products in 1980. AER 465
- Productivity Potential in Dry Grocery Warehouses. AER 484.

- Foreign Ownership of U.S. Agricultural Land, February 1, 1979, Through December 31, 1980. AIB 448.
- Rural Development Perspectives. RDP 4.
- Selected Agricultural Statistics on Greece, 1965-77. SB 675.
- Economic Indicators of the Farm Sector: State Income and Balance Sheet Statistics, 1980. SB 678.
- Farmer-to-Consumer Direct Marketing: Selected States, 1979-80. SB 681.
- U.S. Fresh Market Vegetable Statistics, 1949-80. SB 688.

New Reports—NTIS

The following are available for sale only from the National Technical Information Service, U.S. Department of Commerce, 5258 Port Royal Road, Springfield, VA. 22161. Note: PC before the price indicates cost of a paper copy; MF indicates the cost of a microfiche. When ordering, be sure to include the PB number.

- U.S. Corn Industry. (AER 479) 119 p. 1982. PC \$12.00; MF \$4.00. PB 173964.
- The Effects of Tax Policy on American Agriculture. (AER 480) 62 p. 1982. PC \$9.00; MF \$4.00. PB 170002.
- Solar- and Wind-Powered Irrigation Systems. (AER 482) 28 p. 1982. PC \$7.50; MF \$4.00. PB 177486.
- Couponing's Growth in Food Marketing. (AER 486) PC \$3.25; MF \$4.00. PB 82218769.
- The Status of Marketing Cooperatives Under Antitrust Law. (ERS 673) 48 p. 1982. PC \$9.00; MF \$4.00. PB 182577.
- Food Prices and Rising Energy Costs. (ERS 674) 14 p. 1982. PC \$6.00; MF \$4.00. PB 183708.
- Improvements in Grades of Hogs Marketed. (ERS 675) 4 p. 1982. PC \$6.00; MF \$4.00. PB 178930.
- School Food Service Programs and Commodity Market Support. (ERS 676) 160 p. 1982. PC \$15.00; MF \$4.00. PB 181678.
- Prices Received by Farmers: Cattle Milk Cows, Hogs, Sheep, Wool, by State and United States, 1959-78. (SB 680) 159 p. 1982. PC \$15.00; MF \$4.00. PB 165010.

State Reports

To order publications issued by a State, write directly to the address shown. No copies are available from the Department of Agriculture.

- Alabama Farm Income, by Counties 1980 Revised—1981 Preliminary. Alabama Crop & Livestock Reporting Service, P.O. Box 1071, Montgomery, AL 36192.
- California Grape Acreage 1981. California Crop & Livestock Reporting Service, P.O. Box 1258, 1220 N Street, Sacramento, CA 95814.
- Preliminary Grape Crush Report 1981 Crop, February 10, 1982. California Crop & Livestock Reporting Service, P.O. Box 1258, 1220 N Street, Sacramento, CA 95814.
- Production and Marketing Eggs, Chickens and Turkeys 1981. California Crop & Livestock Reporting Service, P.O. Box 1258, 1220 N Street, Sacramento, CA 95814.
- Florida Agricultural Statistics Livestock Summary 1981. Florida Crop & Livestock Reporting Service, 1222 Woodward Street, Orlando, FL 32803.
- Florida Agricultural Statistics Vegetable Summary 1981. Florida Crop & Livestock Reporting Service, 1222 Woodward Street, Orlando, FL 32803.
- North Carolina Agricultural Statistics 1975-78 Revised. North Carolina Crop & Livestock Reporting Service, P.O. Box 27767, 1 West Edenton Street, Raleigh, NC 27611.
- North Carolina Farm Income 1979-80. North Carolina Crop & Livestock Reporting Service, P.O. Box 27767, 1 West Edenton Street, Raleigh, NC 27611.



Heritage From the Past: U.S. Agriculture in a State of Flux

U.S. agriculture today faces fundamental challenges from many directions. The economic, social, and technological changes of recent decades have not only directly transformed domestic agriculture, they have also greatly altered the linkages between farming and the domestic and international economies. Because of this, the current state of U.S. agriculture is difficult to describe with statistics, which can at best provide only "snapshots" of a dynamic, evolving sector.

Links Tightening Between U.S. Farming, U.S. and World Economies
In recent years, the U.S. agricultural sector has become much more interconnected with the rest of the domestic economy. Not only are the activities of input suppliers, processors, distributors, retailers, and consumers crucial to the health of the farm sector, but the health of the general economy, in turn, depends greatly on agriculture.

Farming and related activities now contribute about 20 percent of the GNP, while accounting for over 22 percent of the U.S. workforce—about 23 million workers—involved in production, processing, and distribution.

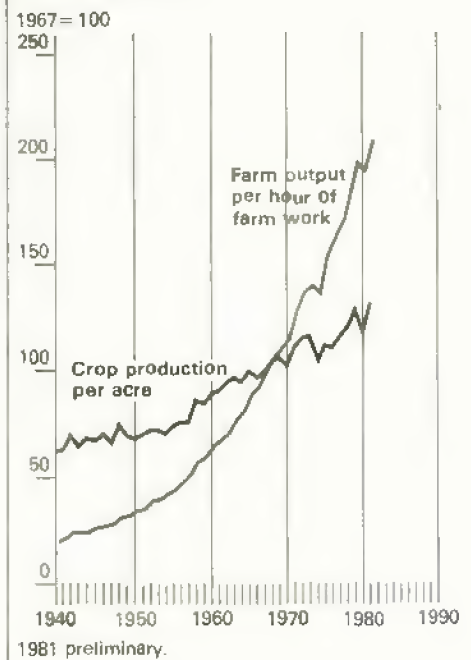
Through export activities, U.S. agriculture has also grown more closely linked to the global economy. From \$4.8 billion in 1960, U.S. farm exports have risen almost tenfold to roughly \$44 billion in 1981. The trade balance of the agricultural sector is particularly strong, with a surplus of \$26.5 billion in 1980—compared with the non-farm sector's trade deficit of \$56.6 billion.

However, as successful as U.S. agriculture has been in providing jobs, output to GNP, and export earnings for the trade account, significant problems remain. For the third successive year, low product prices combined with continued increases in production costs have kept downward pressure on net farm income. In addition, the high interest rates of 1980-82 have put financial pressure on many farmers, causing some to leave farming.

Productivity Growth: Fueling The Agricultural Engine

Growth in agricultural productivity and in foreign demand for U.S. farm products have transformed U.S. agriculture since World War II. Overall, U.S. agricultural output increased 103 percent between 1940 and 1980. During the same period, the index of total input use rose from 100 to 106, indicating a rise in overall productivity of roughly 92 percent.

Productivity: A Major Success of U.S. Agriculture



The expanded use of purchased inputs has been mainly responsible for this productivity growth, whether measured on a per-acre or per-worker basis. In particular, the adoption and increased use of hybrid crop varieties, fertilizers, pesticides, and other chemicals have led to dramatic gains in yields per acre. At the same time, the adoption of labor-saving technology—especially large machinery—boosted labor productivity nearly ninefold between 1940 and 1980.

Many have asserted that productivity growth in agriculture has slowed in recent years. For example, when 1972-78 is compared with earlier periods, most measures of productivity show distinctly slower growth. The growth in annual productivity for agriculture was 5.3 percent in 1948-65 and 5.5 in 1965-72, but only 2.3 percent in 1972-78.

Others, however, suggest that the actual decline in productivity growth has been overstated. For example, the renewed use of less productive land when acreage-control programs were dismantled, and even the corn blight of 1973, slowed growth over the entire 1972-78 period. Moreover, from 1974 to 1979 agricultural productivity actually grew faster than it did during 1948-65. So even the current growth rate remains open to interpretation.

Export Growth: Sustaining Demand For Domestic Output

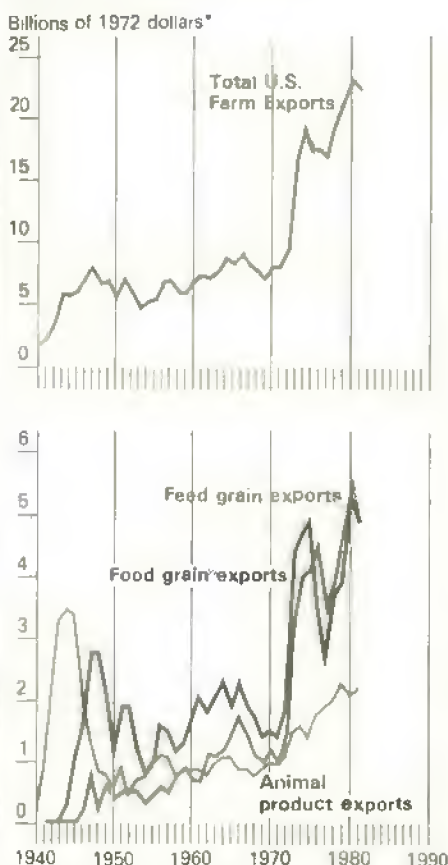
While agricultural productivity and output have been steadily climbing, major changes have also been occurring in the product markets. Total domestic demand for food and fiber has undergone basically steady growth—rising roughly 1.7 percent annually over the last 30 years.

The change in foreign demand, on the other hand, has been explosive—particularly over the 1970's. From less than \$1 billion in 1940, agricultural exports rose slowly but steadily to \$9.4 billion in 1972, when the Soviets began buying U.S. grain. The next year, as a result of major crop failures in the Soviet Union and elsewhere, U.S. grain exports nearly doubled in value.

During the 1970's U.S. agricultural exports rose rapidly—almost 9 percent a year—reaching \$43.8 billion by fiscal 1981. Food and feed grain exports alone totaled \$21.0 billion last year, with oilseed exports adding another \$9.4 billion.

This growth in foreign demand has increased year-to-year variability in prices and incomes, as the U.S. farm sector absorbs the fluctuations in overseas output. Environmental problems—greater pressure on soil and water resources—may also be associated with the expansion of acreage required to meet export commitments.

Grains Boost U.S. Farm Exports Sharply Since 1973



*Current dollars deflated by GNP implicit price deflator.

A Side Effect: Larger, Fewer Farms

The stunning growth in U.S. agricultural productivity—achieved principally through the adoption of labor-saving technology, especially larger machines—has had a significant impact on the number and size of U.S. farms. The adoption of larger machines provided an incentive for farmers to enlarge their farms, so as to spread the cost of machinery over as many acres as possible. As a result, farms have increased in average size from 174 acres in 1940 to almost 450 acres by 1980.

Farmers enlarged their acreage principally by purchasing the land of others, who then left farming. Thus, over that same period, the number of U.S. farms fell from 6.1 million to 2.3 million, resulting in a much smaller population of more efficient farms.

As average farm size rose, so did the heterogeneity and specialization of farms. For example, there are now great differences in the average size of

farms across geographical regions and types of operation. The gap between the largest and smallest farms—in terms of sales—has also grown. While the largest one-fourth of farms accounted for over 75 percent of all farm sales in 1960, by 1977 the figure had reached 85 percent.

And while fewer farms were getting a larger percentage of U.S. farm income, the sources of farmers' incomes were undergoing major changes as well. From 43 percent in 1960, off-farm income had reached 62 percent of total farm-family income by 1980. In general, the rise in off-farm income has helped to stabilize farmers' incomes from year to year. [J. Larry Deaton and Mary Anne Normile (202) 447-8376]

Upcoming Situation Reports

USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
Wheat	July 27
Vegetable	July 30
Livestock & Meat	Aug. 10
World Crop Production*	Aug. 11
Ag Supply & Demand*	Aug. 12
Export Outlook*	Aug. 17
Feed	Aug. 18
Cotton & Wool	Aug. 26
Poultry & Egg	Aug. 27

All reports are reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports available through subscription only. For subscription information, write or call: EMS Information, Rm. 440 GHI Bldg, 500 12th St. SW, Washington, D.C. 20250 (202) 447-8590. *These reports, released by the WAOB, are issued in full on the date indicated.

Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1981				1982				
	II	III	IV	Annual	I	II F	III F	IV F	Annual F
Prices received by farmers (1977=100)									
Livestock and products	142	137	129	138	133	137	138	138	137
Crops	143	146	137	142	141	150	151	152	148
Prices paid by farmers, (1977=100)	141	129	121	134	123	124	124	123	124
prod. items	149	148	146	148	149	151	153	153	152
Commodities and services, int., taxes, and wages	150	151	150	150	154	156	158	158	156
Cash receipts¹ (\$ bil.)									
Livestock (\$ bil.)	142	147	143	144	142	142	143-147	143-148	140-144
Crops (\$ bil.)	69	71	66	69	69	71	70-74	69-73	68-72
	73	76	77	75	73	71	71-75	72-76	71-75
Market basket (1967=100)									
Retail cost	255.3	260.3	258.9	257.1	263.7	267	272	275	269
Farm value	244.8	252.4	240.4	246.4	243.2	254	257	259	253
Spread	261.4	264.9	269.8	263.4	275.8	275	283	285	280
Farm value/retail cost (%)	36	36	34	35	34	35	35	35	35
Retail prices (1967=100)									
Food	273.0	277.2	277.5	274.6	282.4	286	292	296	289
At home	268.4	272.5	271.6	269.9	276.6	280	285	289	283
Away-from home	289.4	293.6	297.0	291.0	301.1	305	312	318	309
Agricultural exports (\$ bil.)²	10.5	9.0	11.3	43.8	10.5	10.5	9.7	11.5	42.0
Agricultural imports (\$ bil.)³	4.2	3.8	4.1	17.2	3.6	3.6	3.7	4.0	15.0
Livestock and products									
Total livestock and products (1974=100)	113.7	112.0	113.2	112.3	108.8	112.8	111.4	110.3	110.8
Beef (mil. lb.)	5,438	5,541	5,676	22,214	5,450	5,350	5,700	5,825	22,325
Pork (mil. lb.)	3,880	3,606	4,155	15,719	3,696	3,550	3,150	3,325	13,721
Veal (mil. lb.)	94	105	115	415	106	100	100	110	416
Lamb and mutton (mil. lb.)	77	79	88	328	90	82	85	92	349
Red meats (mil. lb.)	9,489	9,331	10,034	38,676	9,342	9,082	9,035	9,352	36,811
Broilers (mil. lb.)	3,096	3,081	2,880	11,906	2,886	3,050	3,100	2,920	11,956
Turkeys (mil. lb.)	553	785	773	2,509	410	540	720	725	2,395
Total meats and poultry (mil. lb.)	13,138	13,197	13,687	53,091	12,638	12,672	12,855	12,997	51,162
Eggs (mil. dz.) ⁴	1,463	1,432	1,450	5,800	1,450	1,451	1,420	1,440	5,766
Milk (bil. lb.)	35.1	33.1	32.0	132.6	33.0	36.5	34.0	32.2	135.7
Choice steers, Omaha (\$/cwt.)	66.68	66.53	60.17	63.84	63.36	70.50	66-70	66-70	66-69
Barrows and gilts, 7 markets (\$/cwt.)	43.63	50.42	42.63	44.45	48.17	56.50	55-59	54-58	53-55
Broilers-wholesale, N.Y., 8-16 lb. hens, dressed (cts./lb.)	46.7	47.0	42.1	46.3	44.8	45.1	47-51	47-51	46-48
Turkeys-wholesale, 9-city weighted avg., dressed (cts./lb.)	63.6	62.7	55.1	60.7	55.2	59.0	63-67	71-75	61-64
Eggs, N.Y. Gr. A large, (cts./dz.) ⁴	70.4	70.8	77.4	73.6	78.4	71.8	68-72	78-82	74-76
Milk, all at farm (\$/cwt.)	13.53	13.53	14.00	13.80	13.77	13.30	13.30-13.70	13.65-14.35	13.50-13.85
Crop prices at the farm³									
Wheat (\$/bu.)	3.91	3.63	3.81	3.70	3.72	—	—	—	3.60-3.80
Corn (\$/bu.)	3.22	2.85	2.39	2.50	2.48	—	—	—	2.50-2.90
Soybeans (\$/bu.)	7.35	6.68	6.03	6.05	6.05	—	—	—	5.85-7.50
Upland cotton (cts./lb.)	72.1	64.5	57.9	—	49.5	—	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year.

³ Quarterly prices are simple averages; annual Prices are for marketing year beginning in year indicated. ⁴ Marketing year quarters beginning December 1.

F = Forecast

Farm Income

Cash receipts from farming

	1981									1982			
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Farm marketings and CCC loans¹	9,373	9,072	10,493	11,871	11,484	13,318	16,478	15,472	13,153	14,346	10,408	10,293	11,079
Livestock and products	6,077	5,689	5,647	5,637	5,579	6,030	6,137	5,736	5,391	5,328	5,167	5,775	7,123
Meat animals	3,627	3,205	3,194	3,082	3,137	3,562	3,581	3,271	3,013	2,972	3,058	3,383	4,636
Dairy products	1,562	1,612	1,540	1,505	1,490	1,455	1,487	1,448	1,511	1,505	1,360	1,552	1,800
Poultry and eggs	802	792	827	658	872	842	843	925	790	762	689	766	804
Other	86	80	86	192	80	171	226	92	77	89	60	74	83
Crops	3,296	3,383	4,846	6,034	5,905	7,288	10,341	9,736	7,762	9,018	5,241	4,518	3,956
Food grains	481	367	1,627	2,025	1,418	1,547	1,458	852	700	995	665	532	495
Feed crops	359	719	1,085	1,183	1,171	1,308	2,212	2,752	2,013	3,419	1,592	1,322	1,091
Cotton (lint and seed)	84	72	65	41	161	113	726	1,177	929	1,125	547	206	130
Tobacco	34	9	0	232	561	696	345	341	691	453	87	10	33
Oil-bearing crops	759	628	437	698	839	1,350	3,257	1,799	1,114	1,573	931	880	690
Vegetables and melons	629	719	777	782	811	996	907	587	513	663	507	501	569
Fruits and tree nuts	275	333	488	638	542	682	787	838	830	328	492	500	264
Other	675	536	367	435	402	596	649	1,390	972	462	440	567	684
Government payments	78	55	47	55	108	118	90	149	668	59	507	74	317
Total cash receipts²	9,451	9,127	10,540	11,726	11,592	13,436	16,568	15,621	13,821	14,405	10,915	10,367	11,396

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1981			1982			
	1979	1980	1981 p	Apr	Nov	Dec	Jan	Feb	Mar	Apr
				1977=100						
All commodities	106	108	110	97	112	115	153	128	116	121
Livestock and products	100	103	105	108	99	99	105	103	100	122
Crop	113	114	114	83	121	129	192	155	137	120

p = preliminary.

Cash receipts¹ from farm marketings, by States, January-April

State	Livestock and Products		Crops ¹		Total ²	
	1981	1982	1981	1982	1981	1982
	\$Mil.					
North Atlantic						
Maine	83.9	78.7	110.0	58.5	193.9	137.2
New Hampshire	23.1	21.7	10.2	10.5	33.2	32.2
Vermont	119.6	122.2	12.8	12.9	132.4	135.1
Massachusetts	44.6	44.7	44.2	44.3	88.8	88.9
Rhode Island	4.7	4.6	6.3	8.6	11.0	11.2
Connecticut	61.5	62.0	63.0	57.0	124.5	119.1
New York	628.1	620.0	252.8	235.6	880.9	855.7
New Jersey	34.6	34.9	60.8	63.2	95.4	98.1
Pennsylvania	664.7	692.8	252.2	272.4	917.0	965.2
North Central						
Ohio	467.8	479.5	676.2	565.7	1,144.0	1,045.2
Indiana	555.0	575.5	841.0	863.3	1,395.9	1,438.8
Illinois	745.5	783.7	2,119.8	2,345.3	2,865.3	3,128.9
Michigan	366.1	376.5	410.8	451.3	776.9	827.8
Wisconsin	1,357.5	1,258.0	286.6	345.6	1,644.1	1,601.6
Minnesota	1,133.4	1,150.8	803.6	997.1	1,937.0	2,147.8
Iowa	1,759.4	1,835.2	1,939.7	2,155.1	3,699.1	3,990.3
Missouri	804.2	805.7	414.4	503.7	1,218.6	1,309.4
North Dakota	228.3	216.9	461.4	637.5	689.7	854.5
South Dakota	694.3	668.2	226.5	274.8	920.8	943.0
Nebraska	1,037.1	1,500.4	967.0	1,337.4	2,004.1	2,837.8
Kansas	1,395.2	1,448.5	661.8	702.9	2,057.0	2,151.4
Southern						
Delaware	89.0	97.0	17.8	18.2	106.8	115.2
Maryland	228.7	235.6	92.2	96.7	320.9	332.3
Virginia	288.6	299.7	88.0	120.8	376.6	420.5
West Virginia	50.1	55.7	15.4	16.3	65.5	71.9
North Carolina	511.1	515.7	300.2	289.7	811.3	805.4
South Carolina	149.3	152.9	57.4	101.1	206.7	253.9
Georgia	613.8	595.1	189.2	205.8	803.0	800.9
Florida	322.7	322.9	1,516.4	1,584.0	1,839.1	1,906.9
Kentucky	399.7	388.6	364.3	586.1	764.0	974.6
Tennessee	261.5	262.0	153.0	223.9	414.5	485.9
Alabama	449.7	419.6	111.3	152.2	561.0	571.8
Mississippi	294.1	292.8	264.5	312.6	558.5	605.4
Arkansas	518.9	489.6	289.7	419.8	808.6	909.4
Louisiana	153.4	144.1	287.5	275.3	440.9	419.5
Oklahoma	586.6	591.1	214.9	261.2	801.5	852.3
Texas	1,653.3	1,822.9	1,091.0	1,550.4	2,744.3	3,373.3
Western						
Montana	213.6	205.3	231.0	271.8	444.6	477.1
Idaho	297.0	308.7	389.8	350.2	686.8	659.0
Wyoming	137.6	143.6	29.4	28.6	167.0	172.2
Colorado	653.4	703.6	280.6	285.1	934.0	988.7
New Mexico	195.9	193.5	43.0	63.2	238.9	256.7
Arizona	247.0	267.1	338.0	409.1	585.0	678.2
Utah	122.0	115.7	38.1	39.3	160.1	155.0
Nevada	49.7	49.1	34.5	31.6	84.2	80.6
Washington	282.6	290.8	522.9	567.1	805.5	857.9
Oregon	190.5	188.7	278.9	283.7	469.4	472.5
California	1,435.4	1,431.3	1,701.5	2,122.0	3,137.0	3,553.3
Alaska	1.6	1.6	1.5	1.5	3.1	3.1
Hawaii	31.2	30.6	125.2	125.2	156.5	155.9
United States	22,636.6	23,393.5	19,688.2	22,733.4	42,324.8	46,126.9

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1981	1982					
	1979	1980	1981	June	Jan	Feb	Mar	Apr	May	June p
1977=100										
Prices Received										
All farm products	132	134	138	142	132	133	133	135	139	138
All crops	116	125	134	138	126	123	120	123	125	125
Food grains	147	165	166	160	157	155	153	152	150	142
Feed grains and hay	114	132	141	151	127	124	124	128	132	129
Feed grains	117	135	145	157	128	124	124	128	131	129
Cotton	96	114	111	118	82	80	83	88	90	79
Tobacco	118	125	140	134	152	152	152	151	151	152
Oil-bearing crops	103	102	110	115	93	92	91	93	95	92
Fruit	144	124	129	126	140	148	144	145	157	166
Fresh market ¹	151	128	131	130	143	152	148	149	164	176
Commercial vegetables	110	113	136	120	179	158	132	127	121	135
Fresh market	109	110	135	116	191	161	129	123	112	124
Potatoes ²	92	129	179	232	124	125	126	133	152	184
Livestock and products	147	144	143	147	137	142	145	147	151	151
Meat animals	166	156	150	159	140	149	154	159	168	168
Dairy products	124	135	142	138	143	142	140	138	136	135
Poultry and eggs	111	112	116	115	114	116	118	112	108	107
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	123	138	150	150	154	154	155	155	155	156
Production items	125	138	148	150	148	148	150	150	150	151
Feed	110	123	134	139	125	124	123	125	128	126
Feeder livestock	185	177	164	165	152	157	167	168	169	166
Seed	110	118	138	144	144	144	144	140	140	140
Fertilizer	108	134	144	147	143	143	147	147	146	146
Agricultural chemicals	96	102	111	113	113	113	119	119	121	121
Fuels & energy	137	188	213	215	215	213	205	198	200	210
Farm & motor supplies	115	134	147	146	151	151	151	152	152	152
Autos & trucks	117	123	143	144	156	156	156	156	159	159
Tractors & self-propelled machinery	122	136	152	155	159	159	181	161	161	167
Other machinery	119	132	146	148	152	152	156	156	156	162
Building & fencing	118	128	134	134	135	135	135	134	134	135
Farm services & cash rent	117	127	137	137	147	147	147	147	147	147
Interest payable per acre on farm real estate debt	141	168	195	195	218	218	218	218	218	218
Taxes payable per acre on farm real estate	107	117	124	124	132	132	132	132	132	132
Wage rates (seasonally adjusted)	117	127	136	135	148	148	148	148	148	148
Production items, interest, taxes, and wage rates	125	139	150	151	153	153	154	154	155	155
Prices received (1910-14=100)	602	614	633	651	601	608	608	616	633	631
Prices paid, etc. (Parity index) (1910-14=100)	850	950	1,031	1,037	1,058	1,060	1,067	1,066	1,071	1,078
Parity ratio ³	71	65	61	63	57	57	57	58	59	59

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweet potatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1981	1982					
	1979	1980	1981	June	Jan	Feb	Mar	Apr	May	June p
Crops										
All wheat (\$/bu.)	3.51	3.88	3.88	3.70	3.78	3.70	3.67	3.68	3.64	3.41
Rice, rough (\$/cwt.)	9.05	11.07	11.90	11.90	9.34	9.46	8.99	8.54	8.55	6.25
Corn (\$/bu.)	2.36	2.70	2.92	3.17	2.54	2.44	2.46	2.55	2.60	2.56
Sorghum (\$/cwt.)	3.91	4.67	4.72	5.03	4.09	4.08	4.00	4.10	4.35	4.36
All hay, baled (\$/ton)	56.30	67.00	68.10	66.80	68.70	70.40	70.90	73.40	76.80	70.90
Soybeans (\$/bu.)	6.66	6.75	6.92	7.05	6.13	6.04	5.99	6.17	6.27	6.07
Cotton, Upland (cts./lb.)	58.0	69.0	66.9	71.2	49.9	48.4	50.1	53.5	54.2	47.9
Potatoes (\$/cwt.)	3.16	4.78	7.02	9.10	4.63	4.78	4.86	5.28	6.26	8.01
Dry edible beans (\$/cwt.)	19.60	24.80	28.60	36.80	20.60	19.80	18.70	18.00	19.20	17.90
Apples for fresh use (cts./lb.)	14.2	17.1	13.6	10.5	15.6	17.5	17.7	16.0	16.0	17.6
Pears for fresh use (\$/ton)	276	325	263	328	260	304	328	300	335	—
Oranges, all uses (\$/box) ¹	3.34	3.26	3.75	4.39	4.48	4.76	4.74	4.98	5.98	6.95
Grapefruit, all uses (\$/box) ¹	2.97	2.73	3.44	4.41	2.27	2.75	1.78	2.01	2.02	1.23
Livestock										
Beef cattle (\$/cwt.)	66.30	62.50	60.80	61.40	53.60	56.10	58.60	60.10	62.60	62.30
Calves (\$/cwt.)	89.70	77.50	64.00	66.30	57.10	58.90	61.90	62.30	64.20	64.20
Hogs (\$/cwt.)	41.30	38.90	43.40	47.40	43.40	48.40	48.60	51.20	56.80	57.40
Lambs (\$/cwt.)	67.10	63.50	54.90	65.00	50.40	53.30	60.30	61.50	63.50	62.00
All milk, sold to plants (\$/cwt.)	12.00	13.10	13.80	13.40	13.90	13.80	13.60	13.40	13.20	13.10
Milk, manuf. grade (\$/cwt.)	11.10	12.00	12.75	12.50	13.00	12.80	12.70	12.60	12.50	12.40
Broilers (cts./lb.)	25.9	27.7	28.1	29.9	27.1	27.0	26.9	26.2	28.0	28.6
Eggs (cts./doz.) ²	58.1	56.7	62.3	56.6	63.5	66.3	68.2	63.0	54.8	51.6
Turkeys (cts./lb.)	41.9	40.0	38.4	41.8	32.6	33.0	33.3	33.9	34.6	37.7
Wool (cts./lb.) ³	66.3	88.1	94.7	101.0	80.4	80.4	83.4	89.1	88.5	79.6

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1981					1982			
	1981	May	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
1967=100										
Consumer Price Index, all items	272.4	269.0	279.9	280.7	281.5	282.5	283.4	283.1	284.3	287.1
Consumer price index, less food	270.6	267.0	279.0	280.1	280.8	281.4	282.1	281.7	282.9	286.0
All food	274.6	272.5	277.6	277.1	277.8	281.0	283.3	283.0	283.9	285.5
Food away from home	291.0	289.3	296.2	297.2	297.7	299.8	301.2	302.4	303.6	304.8
Food at home	269.9	267.7	272.1	271.0	271.7	275.3	278.0	277.1	277.9	279.8
Meats ¹	257.8	252.3	262.5	259.6	258.7	257.8	260.2	261.2	263.6	269.7
Beef and veal	272.6	270.3	274.9	271.5	270.6	269.4	271.5	271.7	274.8	281.1
Pork	228.0	217.3	238.6	235.6	234.3	234.7	238.9	239.6	241.6	249.9
Poultry	198.6	194.7	196.6	192.3	191.7	194.2	195.7	194.7	193.3	196.0
Fish	357.7	353.2	360.8	358.9	359.6	373.3	373.8	376.3	382.0	366.3
Eggs	183.8	170.5	185.9	194.7	198.0	189.4	205.1	195.2	186.9	172.3
Dairy products ²	243.6	243.8	244.6	245.0	245.5	245.8	246.5	246.5	247.5	247.0
Fats and oils ³	267.1	270.7	268.5	262.2	261.1	261.6	260.5	259.6	260.4	260.6
Fruits and vegetables	276.3	276.8	275.2	272.0	276.4	294.7	301.5	293.1	294.0	297.9
Fresh	282.9	284.4	273.5	267.8	274.9	308.0	319.6	302.1	304.1	311.7
Processed	271.5	270.9	279.4	279.2	280.6	282.7	284.2	285.8	285.5	285.4
Cereals and bakery products	271.1	270.0	275.0	276.3	277.7	279.8	280.9	281.3	281.7	283.3
Sugar and sweets	368.3	367.1	359.9	359.1	359.3	361.6	364.2	365.5	365.3	365.7
Beverages, nonalcoholic	412.6	412.3	414.8	413.4	412.5	418.7	423.4	424.6	424.1	425.6
Apparel commodities less footwear	174.0	173.3	178.4	177.9	176.6	172.8	173.4	176.8	177.4	176.7
Footwear	200.4	201.0	204.2	205.4	205.7	202.8	202.8	204.9	205.6	206.5
Tobacco products	218.9	218.2	225.3	226.2	226.8	227.1	230.7	234.1	235.1	237.4
Beverages, alcoholic	199.5	199.1	201.4	202.3	202.7	204.0	205.6	206.6	207.4	208.0

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1981		1982				
	1979	1980	1981 p	May	Dec	Jan	Feb	Mar	Apr	May
	1967=100									
Finished goods¹	216.1	247.0	269.8	269.6	275.4	277.9	277.4	276.9	276.9	277.7
Consumer foods	226.3	239.5	253.5	252.8	252.9	256.4	258.2	257.1	259.8	262.3
Fresh fruit	232.6	237.6	228.4	230.4	264.4	241.6	250.8	230.0	243.2	244.7
Fresh and dried vegetables	201.0	219.0	278.0	291.2	270.8	305.5	299.6	257.7	265.2	270.9
Eggs	176.5	171.0	187.1	165.0	195.5	187.0	200.6	204.0	192.1	164.3
Bakery products	221.7	247.8	268.4	267.3	274.2	275.0	276.0	275.4	275.6	275.6
Meats	240.6	235.9	239.0	236.3	229.7	237.4	241.4	241.4	250.3	267.1
Beef and veal	252.2	260.2	246.9	252.9	231.8	237.1	243.0	249.5	256.5	267.1
Pork	205.0	196.7	218.1	203.8	211.1	228.5	232.7	222.5	237.5	251.8
Poultry	188.6	193.3	193.3	197.5	167.8	170.6	175.5	178.4	175.8	179.7
Fish	383.8	370.9	377.9	386.0	383.4	400.0	394.6	416.6	423.4	419.3
Dairy products	211.2	230.6	245.7	244.6	247.2	247.7	248.0	248.0	248.4	248.5
Processed fruits and vegetables	221.9	228.7	261.1	259.4	271.4	272.8	274.7	275.7	274.6	273.4
Refined sugar ²	116.3	214.4	162.6	149.6	142.3	152.8	146.9	145.7	145.7	151.4
Vegetable oil and products	223.5	233.2	238.2	238.2	237.5	236.5	237.5	233.9	236.7	238.5
Consumer finished goods less foods	208.2	250.8	276.3	277.0	282.8	284.4	284.1	283.3	281.7	281.6
Beverages, alcoholic	161.4	175.8	189.3	189.5	192.4	194.2	193.3	195.1	196.5	197.4
Soft drinks	277.1	261.0	303.6	303.0	312.6	313.1	316.1	317.5	319.2	319.8
Apparel	160.4	172.4	185.5	185.2	189.1	190.1	191.0	191.7	192.2	192.7
Footwear	218.0	233.1	241.2	241.4	241.7	241.4	239.2	240.6	243.7	242.5
Tobacco products	217.7	245.7	268.3	268.7	277.9	277.9	306.4	306.4	306.5	306.7
Intermediate materials³	242.8	280.3	306.0	306.7	309.4	311.0	311.3	310.9	310.1	309.8
Materials for food manufacturing	223.6	264.4	260.9	259.0	245.6	250.7	264.3	252.0	254.3	260.0
Flour	172.0	187.6	191.8	194.3	183.7	188.1	188.8	188.0	186.6	184.6
Refined sugar ⁴	119.3	212.9	173.5	166.9	148.3	159.9	159.9	154.2	153.9	161.6
Crude vegetable oils	243.7	202.8	185.4	187.0	167.0	164.5	162.4	157.9	166.6	170.3
Crude materials⁵	282.2	304.6	329.1	334.4	311.5	318.4	321.5	319.9	322.8	328.1
Foodstuffs and feedstuffs	247.2	259.2	257.4	260.6	233.7	242.6	248.3	247.9	254.3	262.3
Fruits and vegetables ⁶	299.0	238.6	267.0	275.3	279.8	288.3	289.3	256.4	266.7	270.7
Grains	214.8	239.0	248.4	257.7	213.6	225.2	223.2	220.8	226.0	228.2
Livestock	260.3	252.7	248.0	251.8	225.0	236.8	251.2	255.6	267.6	282.9
Poultry, live	194.3	202.1	201.2	207.2	171.4	186.8	197.3	197.7	186.2	192.7
Fibers, plant and animal	209.9	271.1	242.0	258.3	188.4	198.2	193.6	199.7	207.4	214.1
Milk	250.1	271.2	287.4	283.6	286.7	287.6	285.8	282.5	280.3	278.8
Oilseeds	245.5	249.2	277.6	301.3	219.9	219.6	218.7	214.1	225.3	229.4
Coffee, green	416.2	430.3	330.1	305.2	329.0	323.3	309.9	309.9	319.6	319.6
Tobacco, leaf	207.7	222.2	n.a.	235.7	265.6	267.2	267.2	267.2	265.6	265.6
Sugar, raw cane	209.8	413.0	272.7	224.2	230.1	246.9	244.4	232.3	242.2	268.5
All commodities	235.6	268.8	293.4	294.1	295.9	298.3	298.5	297.9	297.9	298.6
Industrial commodities	236.5	274.8	304.1	304.7	310.0	311.8	311.4	311.0	309.9	309.5
All foods⁷	266.3	244.5	251.9	250.3	248.0	252.0	253.5	251.5	254.4	257.9
Farm products and processed foods and feeds	229.8	244.7	251.5	252.9	241.0	246.0	248.5	247.5	251.4	255.6
Farm products	241.4	249.4	254.9	259.6	234.6	242.2	247.1	244.6	250.6	256.1
Processed foods and feeds	222.5	241.2	248.7	248.2	243.6	247.1	248.3	248.1	250.8	254.4
Cereal and bakery products	210.3	236.0	255.5	256.3	255.1	256.6	255.3	254.2	253.8	253.9
Sugar and confectionery	214.7	322.5	276.8	262.8	247.6	256.8	260.3	255.0	256.4	265.8
Beverages	210.7	233.0	247.5	247.6	251.9	253.9	254.2	255.7	256.6	256.7

¹ Commodities ready for sale to ultimate consumer. ² Consumer size packages, Dec. 1977=100. ³ Commodities requiring further processing to become finished goods. ⁴ For use in food manufacturing. ⁵ Products entering market for the first time which have not been manufactured at that point. ⁶ Fresh and dried. ⁷ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Note: Annual historical data on consumer and producer food price indexes may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1981		1982				
	1979	1980	1981 p	May	Dec	Jan	Feb	Mar	Apr	May
Market basket¹:										
Retail cost (1967=100)	222.7	238.8	257.1	254.7	259.1	262.4	265.1	263.8	264.5	267.1
Farm value (1967=100)	227.3	239.8	246.4	245.0	236.1	236.4	246.7	246.9	250.6	255.9
Farm-retail spread (1967=100)	220.0	238.3	263.4	260.3	272.6	277.6	275.9	273.7	272.7	273.6
Farm value/retail cost (%)	37.8	37.2	35.5	35.6	33.7	33.4	34.4	34.7	35.1	35.5
Meat products:										
Retail cost (1967=100)	241.9	248.8	257.8	252.3	258.7	257.8	260.0	261.2	263.6	269.7
Farm value (1967=100)	234.6	234.0	235.5	235.1	221.2	216.3	236.1	242.7	252.5	268.1
Farm-retail spread (1967=100)	250.4	266.1	284.0	272.4	302.6	306.4	288.4	282.8	276.6	275.1
Farm value/retail cost (%)	52.3	50.7	49.3	50.3	46.1	45.3	49.0	50.1	51.7	53.6
Dairy products:										
Retail cost (1967=100)	207.0	227.4	243.6	242.6	245.5	245.8	246.5	246.5	247.5	247.0
Farm value (1967=100)	229.8	251.1	265.9	265.6	265.3	263.4	264.4	261.6	259.4	258.0
Farm-retail spread (1967=100)	187.1	206.6	224.1	222.4	228.2	230.3	230.8	233.3	237.1	237.3
Farm value/retail cost (%)	51.9	51.6	51.0	51.2	50.5	50.1	50.2	49.6	49.0	48.8
Poultry:										
Retail cost (1967=100)	181.5	190.8	198.6	194.7	191.7	194.2	195.7	194.7	193.3	196.0
Farm value (1967=100)	203.8	211.9	210.2	212.2	183.0	196.5	196.7	195.6	193.2	204.3
Farm-retail spread (1967=100)	160.0	170.3	187.4	177.8	200.1	191.9	194.8	193.9	193.4	187.9
Farm value/retail cost (%)	55.2	54.6	52.0	53.6	46.9	49.8	49.4	49.4	49.2	51.1
Eggs:										
Retail cost (1967=100)	172.8	169.7	183.8	170.5	198.0	189.4	205.1	195.2	186.9	172.3
Farm value (1967=100)	194.2	184.3	206.5	183.7	219.5	211.2	219.2	225.8	208.1	176.0
Farm-retail spread (1967=100)	142.0	148.6	150.9	151.4	166.9	157.8	184.7	150.9	156.3	166.9
Farm value/retail cost (%)	66.4	64.2	66.4	63.7	65.5	65.9	63.2	68.4	65.8	60.4
Cereal and bakery products:										
Retail cost (1967=100)	220.2	246.4	271.1	270.0	277.7	279.8	280.9	281.3	281.7	283.3
Farm value (1967=100)	189.9	221.4	217.7	221.1	200.9	205.1	204.0	202.8	202.7	201.3
Farm-retail spread (1967=100)	226.3	251.6	282.1	280.1	293.6	295.3	296.8	297.5	298.1	300.3
Farm value/retail cost (%)	14.8	15.4	13.8	14.0	12.4	12.6	12.4	12.4	12.3	12.2
Fresh fruits:										
Retail cost (1967=100)	258.5	271.8	286.1	282.3	275.9	284.4	302.1	307.9	317.3	332.6
Farm value (1967=100)	237.6	245.0	251.6	200.2	326.5	308.4	352.6	343.0	323.2	346.9
Farm-retail spread (1967=100)	267.9	283.8	301.6	319.1	253.2	273.6	279.4	292.1	314.6	328.2
Farm value/retail cost (%)	28.5	27.9	27.2	22.0	36.7	33.6	36.2	34.5	32	32.3
Fresh vegetables:										
Retail costs (1967=100)	222.5	242.2	287.4	291.7	279.8	337.3	346.2	306.1	301.8	305.1
Farm value (1967=100)	204.3	216.1	279.9	298.3	242.9	315.9	318.9	276.6	316.6	279.1
Farm-retail spread (1967=100)	231.1	254.5	290.9	288.6	297.2	347.3	359.0	320.0	294.8	317.3
Farm value/retail cost (%)	29.4	28.5	31.2	32.7	28.0	30.0	29.5	28.9	33.6	29.3
Processed fruits and vegetables:										
Retail cost (1967=100)	226.6	242.5	271.5	270.9	280.6	282.7	284.2	285.8	285.5	285.4
Farm value (1967=100)	235.3	243.5	288.7	300.5	293.4	285.3	279.1	276.6	270.5	273.8
Farm-retail spread (1967=100)	224.7	242.2	267.7	264.3	277.8	282.1	285.3	287.8	288.8	288.0
Farm value/retail costs (%)	18.8	18.2	19.3	20.1	19.0	18.3	17.8	17.6	17.2	17.4
Fats and oils:										
Retail cost (1967=100)	226.3	241.2	267.1	270.7	261.1	261.6	260.5	259.6	260.4	260.6
Farm value (1967=100)	278.0	250.3	261.3	286.3	213.0	205.2	205.0	212.3	219.9	224.6
Farm-retail spread (1967=100)	206.4	237.7	269.4	264.7	279.6	283.3	281.9	277.8	276.0	274.4
Farm value/retail cost (%)	34.1	28.8	27.2	29.4	22.7	21.8	21.9	22.7	23.5	23.9

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Farm-retail price spreads

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
Beef, Choice:										
Retail price ¹ (cts./lb.)	228.3	237.6	238.7	234.3	238.0	236.9	238.0	237.0	240.4	246.5
Net carcass value ² (cts.)	150.5	155.4	149.3	155.1	141.0	145.1	150.0	154.6	162.2	169.9
Net farm value ³ (cts.)	140.8	145.0	138.5	145.6	128.6	131.8	139.8	144.9	151.8	159.7
Farm-retail spread (cts.)	85.5	92.6	100.2	88.6	109.4	105.1	98.2	92.1	88.6	86.8
Carcass-retail spread ⁴ (cts.)	75.8	82.2	89.4	79.1	97.0	91.8	88.0	82.4	78.2	76.6
Farm-carcass spread ⁵ (cts.)	9.7	10.4	10.8	9.5	12.4	13.3	10.2	9.7	10.4	10.2
Farm value/retail Price (%)	62	61	58	62	54	56	59	61	63	65
Pork:										
Retail price ¹ (cts./lb.)	144.1	139.4	152.4	144.9	157.4	158.2	160.7	161.4	163.0	169.6
Wholesale value ² (cts.)	100.4	98.0	106.7	101.5	103.5	107.0	108.8	110.4	114.0	122.1
Net farm value ³ (cts.)	66.6	63.2	70.3	66.3	63.5	72.6	78.3	78.2	82.7	92.0
Farm-retail spread (cts.)	77.5	67.2	82.1	78.6	93.9	85.6	82.4	83.2	80.3	77.6
Wholesale-retail spread ⁴ (cts.)	43.7	41.4	45.7	43.4	53.9	51.2	51.9	51.0	49.0	47.5
Farm-wholesale spread ⁵ (cts.)	33.8	34.8	36.4	35.2	40.0	34.4	30.5	32.2	31.3	30.1
Farm value/retail Price (%)	46	45	46	46	40	46	49	48	51	54

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
Rail freight rate index¹										
All products (1969=100)	243.3	284.5	327.6	321.3	337.8	350.3	350.6	350.6	351.4	351.6
Farm products (1969=100)	235.9	275.6	315.0	310.0	322.8	336.4	338.5	337.7	338.3	338.3
Grain (Dec. 1978=100)	107.4	127.9	148.1	144.6	152.9	160.2	160.2	160.2	160.2	160.0
Food products (1969=100)	239.2	283.1	329.4	322.8	340.0	354.1	354.1	353.7	353.7	353.7
Rail carloadings of grain (thou. cars) ²	27.5	30.1	26.3	21.3	22.4	23.0	27.2	26.8	23.6	23.8
Barge shipments of grain (mil. bu.) ³	31.2	36.7	38.2	35.2	27.2	24.7	31.8	31.8	49.9	44.7
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{3,4}	n.a.	124	247	336	252	270	322	291	321	435
Rail (thou. cwt.) ^{3,4}	806	1,218	711	838	615	690	692	738	591	675
Truck (thou. cwt.) ^{3,4}	7,558	7,594	7,662	9,547	7,673	6,890	8,667	7,451	8,579	9,096

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average, from Association of American Railroads. ³ Weekly average, from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1982. n.a. = not available.

Livestock and Products

Poultry and eggs

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
Broilers										
Federally inspected slaughter, certified (mil. lb.)	10,916	11,272	11,906	1,025.8	973.5	908.3	899.7	1,050.2	1,011.2	—
Wholesale price, 9-city, (cts./lb.)	44.4	46.8	46.3	46.3	40.1	45.2	44.5	44.8	42.6	45.8
Price of broiler grower feed (\$/ton)	189	207	227	236	210	211	209	207	215	217
Broiler-feed price ratio (lb.) ¹	2.8	2.7	2.6	2.4	2.3	2.6	2.6	2.6	2.4	2.6
Average weekly placements of broiler chicks, 21 States (mil.)	76.8	² 77.9	² 77.1	84.8	78.0	79.3	79.3	83.0	84.0	84.8
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,182	2,332	2,509	176.3	204.2	129.7	123.3	154.9	144.7	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	68.1	63.6	60.7	63.5	51.7	53.6	55.8	56.0	55.8	58.8
Price of turkey grower feed (\$/ton)	202	223	249	255	229	224	227	225	228	236
Turkey-feed price ratio (lb.) ¹	4.1	3.5	3.1	3.1	2.9	2.9	2.9	3.0	3.0	2.9
Poults hatched (mil.)	180.0	188.7	187.3	22.2	12.0	13.4	14.6	16.2	21.2	20.3
Eggs										
Price of laying feed (\$/ton)	168	188	210	217	196	193	195	190	191	195
Egg-feed price ratio (lb.) ¹	8.9	6.0	6.0	5.2	6.7	6.6	6.8	7.2	6.6	5.6
Cartoned price, New York, grade A large (cts./doz.) ³	68.2	66.9	73.2	66.8	76.1	81.4	77.7	79.4	72.2	—
Replacement chicks hatched (mil.)	519	485	454	46.1	33.1	36.0	35.5	43.8	46.2	46.5
	Annual			⁴ 1979/80		⁴ 1980/81				⁴ 1981/82
	1979	1980	1981	IV	I	II	III	IV	I	II
Eggs										
Farm production (mil.)	69,325	69,671	69,633	17,472	17,459	17,554	17,185	17,406	17,370	17,407
Average number of layers on farms (mil.)	289	288	287	292	293	285	282	288	290	263
Rate of lay (eggs per layer)	240	242	243	59.6	59.7	61.6	60.9	60.5	59.8	61.6
	Annual			1980		1981				1982
	1979	1980	1981	IV	I	II	III	IV	I	II
Stocks										
Eggs, shell (thou. cases)	38	38	31	28	19	18	25	20	38	19
Eggs, frozen (mil. lb.)	25.3	23.4	24.3	30.7	25.3	24.2	22.7	27.2	23.7	19.4
Broilers, beginning of period (mil. lb.)	20.1	30.6	22.4	30.9	25.1	26.8	26.5	33.6	30.0	28.8
Turkeys, beginning of period (mil. lb.)	175.1	240.0	198.0	384.0	257.6	207.9	256.2	466.0	305.1	236.7

¹ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. ² 19 States. ³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Marketing year quarters begin in December.

Dairy

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	10.91	11.88	12.57	12.61	12.56	12.55	12.46	12.45	12.45	12.43
Price of 16% dairy ration (\$/ton)	156	177	192	200	182	181	180	179	179	181
Milk-feed price ratio (lb.) ²	1.55	1.48	1.44	1.35	1.54	1.55	1.54	1.52	1.50	1.47
Wholesale Prices:										
Butter, Grade A Ch. (cts./lb.)	122.4	139.3	148.0	147.3	148.1	147.5	147.5	147.8	147.4	147.2
Am. cheese, Wis. assembly pt. (cts./lb.)	123.8	133.0	139.4	138.8	139.4	138.3	137.4	137.4	137.4	136.9
Nonfat dry milk, avg. manf. (cts./lb.)	80.0	88.7	93.9	93.9	94.0	93.6	93.6	93.7	n.a.	n.a.
USDA net removals (mil. lb.):										
Total milk equiv. (mil. lb.) ³	2,119.1	8,799.9	12,860.8	1,705.8	647.5	1,464.4	1,552.9	1,642.9	1,609.5	1,653.4
Butter (mil. lb.)	81.6	257.0	351.5	48.9	17.9	55.1	56.7	52.2	44.5	46.3
Am. cheese (mil. lb.)	40.2	349.7	563.0	70.2	28.0	32.9	38.3	56.7	69.6	70.3
Nonfat dry milk (mil. lb.)	255.3	634.3	851.3	97.5	64.3	71.1	71.9	92.0	95.0	93.6

	Annual			1980	1981				1982	
	1979	1980	1981	IV	I	II	III	IV	I	II
Milk:										
Total milk production (mil. lb.)	123,411	128,525	132,634	31,010	32,426	35,140	33,086	31,982	33,000	n.a.
Milk per cow (lb.)	11,488	11,889	12,147	2,856	2,981	3,226	3,029	2,913	2,999	n.a.
Number of milk cows (thou.)	10,743	10,810	10,919	10,857	10,877	10,892	10,925	10,981	11,005	n.a.
Stocks, beginning										
Total milk equiv. (mil. lb.) ^a	8,730	8,599	12,958	12,884	12,958	15,358	19,534	19,813	18,377	17,990
Commercial (mil. lb.)	4,475	5,419	5,752	6,116	5,752	5,868	5,921	5,255	5,398	5,287
Government (mil. lb.)	4,254	3,180	7,207	6,768	7,207	9,490	13,613	14,558	12,980	12,704
Imports, total equiv. (mil. lb.) ^a	2,305	2,107	2,325	878	403	469	577	875	420	n.a.
Commercial disappearance										
milk equiv. (mil. lb.)	120,185	119,160	120,226	30,225	27,870	30,194	31,648	30,513	28,335	n.a.
Butter:										
Production (mil. lb.)	984.6	1,145.3	1,236.8	279.7	348.1	329.7	255.4	303.6	368.5	n.a.
Stocks, beginning (mil. lb.)	206.9	177.8	304.6	302.9	304.6	407.4	507.5	489.5	429.2	445.3
Commercial disappearance (mil. lb.)	895.0	878.8	877.8	237.9	190.0	215.3	228.1	244.4	208.7	n.a.
American cheese:										
Production (mil. lb.)	2,189.9	2,374.6	2,584.8	568.1	634.8	734.6	608.9	606.7	655.5	n.a.
Stocks, beginning (mil. lb.)	378.8	406.6	591.5	565.6	591.5	644.9	828.0	886.4	889.1	821.4
Commercial disappearance (mil. lb.)	2,113.1	2,023.9	2,090.8	535.4	517.4	503.3	526.3	544.0	529.9	n.a.
Other Cheese:										
Production (mil. lb.)	1,527.3	1,608.5	1,619.7	435.8	389.9	409.4	396.5	423.8	393.6	n.a.
Stocks, beginning (mil. lb.)	78.4	105.6	99.3	112.4	99.3	89.7	100.8	95.7	86.6	77.6
Commercial disappearance (mil. lb.)	1,730.4	1,827.9	1,860.0	543.8	433.7	444.9	455.6	525.6	447.9	n.a.
Nonfat dry milk:										
Production (mil. lb.)	908.7	1,160.7	1,305.8	231.5	297.3	390.8	329.3	288.2	336.6	n.a.
Stocks, beginning (mil. lb.)	585.1	485.2	586.8	599.4	586.8	632.5	733.1	809.0	889.7	975.6
Commercial disappearance (mil. lb.)	603.1	538.9	455.6	112.7	97.4	84.2	159.1	114.8	94.4	n.a.
Frozen dessert production (mil. gal.) ^a	1,152.1	1,168.4	1,169.4	241.2	249.8	326.7	348.0	244.8	251.1	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbert. n.a. = not available.

Wool

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
U.S. wool price, Boston¹ (cts./lb.)	218	245	278	278	283	275	263	244	240	240
Imported wool price, Boston² (cts./lb.)	257	265	292	287	295	283	282	282	277	269
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	106,533	113,423	127,752	10,228	11,224	9,430	9,644	12,846	9,414	n.a.
Carpet wool (thou. lb.)	10,513	10,020	10,567	775	972	682	864	1,030	738	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 3/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1982 is 10.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding. n.a. = not available.

Meat animals

	Annual			1981		1982				
	1979	1980	1981	May	Dec.	Jan	Feb	Mar	Apr	May
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	9,226	8,454	7,863	7,030	7,328	7,201	7,055	6,869	7,024	7,066
Placed on feed (thou. head)	19,877	18,346	17,814	1,619	1,291	1,457	1,320	1,793	1,565	1,853
Marketings (thou. head)	18,793	17,448	17,168	1,400	1,330	1,522	1,413	1,542	1,414	1,413
Other disappearance (thou. head)	1,856	1,489	1,263	195	88	81	93	96	109	143
Beef steer-corn price ratio, Omaha (bu.) ²	28.7	25.1	22.2	20.6	25.0	24.6	25.9	26.5	26.5	27.2
Hog-corn price ratio, Omaha (bu.) ²	18.1	14.6	15.5	12.9	16.8	18.4	20.1	19.8	19.8	21.8
Market prices (\$ per cwt.)										
Slaughter cattle:										
Choice steers, Omaha	67.75	66.96	63.84	66.86	59.24	60.75	63.54	65.80	69.11	72.10
Utility cows, Omaha	50.10	45.73	41.93	42.39	36.65	36.64	38.11	39.41	41.26	43.40
Choice vealers, S. St. Paul	91.41	75.53	77.16	84.25	67.50	69.00	67.50	71.50	78.00	82.88
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	83.08	75.23	66.24	65.79	60.06	60.08	63.28	65.78	66.08	67.78
Slaughter hogs:										
Barrows and gilts, 7-markets ³	42.06	40.04	44.45	42.05	40.06	45.63	49.49	49.38	52.08	58.14
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.26	30.14	35.40	36.10	29.11	31.70	39.96	52.04	55.94	57.84
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	68.75	66.42	58.40	65.38	—	51.50	53.50	60.70	66.54	67.12
Ewes, Good, San Angelo	32.82	24.68	26.15	21.81	25.25	28.50	26.50	31.80	26.12	21.44
Feeder lambs:										
Choice, San Angelo	77.53	68.36	56.86	60.69	50.94	50.44	53.25	57.65	64.88	63.50
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	101.62	104.44	99.84	103.32	93.70	97.42	101.24	103.62	109.50	115.14
Canner and Cutter cow beef	100.23	92.45	84.06	83.75	73.99	74.80	78.44	83.48	80.98	82.18
Pork loins, 8-14 lb.	91.35	84.87	96.56	94.16	86.56	105.74	102.17	95.45	105.81	115.68
Pork bellies, 12-14 lb.	46.00	43.78	52.29	45.07	51.35	62.22	67.84	66.67	74.38	80.82
Hams, skinned, 14-17 lb.	77.04	73.34	77.58	70.96	86.31	74.03	78.40	90.69	81.62	86.78
	Annual			1981				1982		
	1979	1980	1981	I	II	III	IV	I	II	III
Cattle on feed (13-States):										
Number on feed (thou. head) ¹	11,233	10,399	9,845	9,845	6,666	8,646	8,210	9,028	8,818	—
Placed on feed (thou. head)	23,923	22,548	21,874	4,816	5,590	5,275	6,193	5,567	—	—
Marketings (thou. head)	22,599	21,306	21,164	5,557	5,113	5,460	5,034	5,438	⁵ 5,212	—
Other disappearance (thou. head)	2,158	1,796	1,527	438	497	251	341	339	—	—
Hogs and pigs (10-States):⁴										
Inventory (thou. head) ¹	50,920	49,090	45,970	49,090	45,275	46,200	47,170	45,970	40,610	41,190
Breeding (thou. head) ¹	7,114	6,840	6,021	6,840	6,500	6,355	6,357	6,021	5,578	5,689
Market (thou. head) ¹	43,806	42,250	39,949	42,250	38,775	39,845	40,813	39,949	35,032	35,501
Farrowings (thou. head)	10,912	10,527	9,821	2,192	2,750	2,461	2,418	1,977	2,391	⁵ 2,237
Pig crop (thou. head)	77,320	76,230	72,591	15,863	20,741	18,134	17,853	14,059	17,943	—
Commercial slaughter (thou. head)*										
Cattle	33,678	33,807	34,953	8,586	8,496	8,879	8,992	6,669	—	—
Steers	17,377	17,156	17,491	4,452	4,408	4,293	4,338	4,426	—	—
Helpers	9,741	9,594	10,027	2,380	2,354	2,707	2,586	2,333	—	—
Cows	5,930	6,332	6,643	1,577	1,526	1,660	1,880	1,737	—	—
Bulls and stags	629	724	775	171	200	218	186	174	—	—
Calves	2,824	2,588	2,798	6,870	5,944	7,148	8,023	7,694	—	—
Sheep and lambs	5,017	5,539	6,008	1,449	1,439	1,520	1,600	1,602	—	—
Hogs	89,099	96,074	91,575	23,678	22,594	21,277	24,026	21,723	—	—
Commercial production (mil. lb.)										
Beef	21,262	21,470	22,214	5,559	5,438	5,541	5,676	5,450	—	—
Veal	411	379	414	100	94	105	115	106	—	—
Lamb and mutton	282	310	328	84	77	79	88	90	—	—
Pork	15,270	16,432	15,717	4,076	3,880	3,606	4,155	3,696	—	—

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ 220-240 lb. Beginning in January 230-240 lb. ⁴ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁵ Intentions. ^{*} Classes estimated.

Crops and Products

Feed grains

	Marketing year ¹			1981		1982				
	1978/79	1979/80	1980/81	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Corn, No. 2 yellow, St. Louis (\$/bu.)	2.51	2.73	3.35	3.42	2.54	2.65	2.61	2.66	2.78	2.78
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.00	4.65	5.36	5.38	4.28	4.44	4.26	4.28	4.45	4.48
Barley, feed, Minneapolis (\$/bu.)	1.80	2.16	2.60	2.39	2.06	2.20	2.27	2.16	2.16	2.24
Barley, malting, Minneapolis (\$/bu.)	2.38	2.87	3.64	3.80	2.92	3.00	3.14	2.99	2.98	2.96
Exports:										
Corn (mil. bu.)	2,133	2,433	2,355	209	174	152	148	190	196	n.a.
Feed grains (mil. metric tons) ²	60.2	71.3	69.3	6.0	5.4	4.8	4.4	5.6	5.4	n.a.
	Marketing year ¹			1980		1981				1982
	1978/79	1979/80	1980/81	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar
Corn:										
Stocks, beginning (mil. bu.)	1,111	1,304	1,617	3,670	1,618	5,859	3,987	2,774	1,034	6,899
Domestic use:										
Feed (mil. bu.)	4,323	4,519	4,139	979	1,523	1,100	685	831	1,621	1,182
Food, seed, ind. (mil. bu.)	620	675	735	272	152	140	133	311	170	154
Feed grains:²										
Stocks, beginning (mil. metric tons)	41.4	46.2	52.4	107.9	60.4	172.9	117.4	80.7	45.5	205.3
Domestic use:										
Feed (mil. metric tons)	135.9	138.7	123.0	30.4	45.5	32.1	20.8	24.8	48.8	36.2
Food, seed, ind. (mil. metric tons)	20.9	22.3	23.8	8.5	5.0	4.7	4.6	9.5	5.5	5.4

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley. n.a. = not available.

Food grains

	Marketing year ¹			1981		1982				
	1978/79	1979/80	1980/81	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.38	4.25	4.45	4.36	4.35	4.33	4.26	4.25	4.28	4.22
Wheat, DNS, Minneapolis (\$/bu.) ³	3.17	4.16	4.46	4.44	4.15	4.21	4.17	4.10	4.21	4.16
Flour, Kansas City (\$/cwt.)	7.81	10.03	10.35	10.31	10.05	10.64	10.70	10.64	10.42	10.33
Flour, Minneapolis (\$/cwt.)	8.17	10.27	10.98	11.08	10.34	10.78	10.95	10.74	10.54	10.55
Rice, S.W. La. (\$/cwt.) ⁴	18.40	22.15	25.95	28.00	20.75	19.80	18.60	18.00	17.55	17.60
Wheat:										
Exports (mil. bu.)	1,194	1,375	1,510	84	139	127	149	165	159	—
Mil. grind (mil. bu.)	622	630	647	53	50	54	53	57	50	—
Wheat flour production (mil. cwt.)	278	283	290	24	22	24	24	25	22	—
	Marketing year ¹			1980		1981				1982
	1978/79	1979/80	1980/81	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May p
Wheat:										
Stocks, beginning (mil. bu.)	1,178	924	902	2,472	1,903	1,329	989	2,734	2,176	1,557
Domestic use:										
Food (mil. bu.)	592	596	614	167	153	96	203	159	151	—
Feed and seed (mil. bu.) ⁴	245	187	166	31	21	24	225	-28	27	—
Exports (mil. bu.)	1,194	1,375	1,510	371	400	220	622	427	441	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. p = preliminary.

Fats and oils

	Marketing year ¹			1981		1982				
	1978/79	1979/80	1980/81	May	Dec	Jan	Feb	Mar	Apr	May
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	7.09	6.46	7.59	7.53	6.23	6.31	6.21	6.16	² 6.48	—
Crushings (mil. bu.)	1,017.8	1,123.0	1,020.5	82.3	102.5	94.9	86.7	85.1	81.0	—
Exports (mil. bu.)	753.0	875.0	724.3	69.6	73.6	84.3	89.4	79.0	85.7	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	27.2	24.3	22.5	21.6	18.9	18.4	18.2	18.5	19.7	20.6
Production (mil. lb.)	11,323.4	12,105.3	11,269.3	914.9	1,069.6	995.6	917.7	912.1	866.8	—
Domestic disappearance (mil. lb.)	8,941.7	8,980.7	9,122.6	752.2	746.5	815.5	760.3	774.0	—	—
Exports (mil. lb.)	2,334.0	2,690.0	1,626.7	114.8	183.8	43.8	176.7	126.5	148.5	—
Stocks, beginning (mil. lb.)	729.0	776.0	1,210.0	2,118.5	1,884.4	2,023.7	2,160.0	2,140.6	2,152.2	—
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	190.06	181.91	218.18	221.0	187.5	191.0	191.0	183.6	190.3	—
Production (thou. ton)	24,354.4	27,105.1	24,316.7	1,963.2	2,450.6	2,265.6	2,077.4	2,049.4	1,929.6	—
Domestic disappearance (thou. ton)	1,772.0	19,238.4	17,612.1	1,360.9	1,819.9	1,555.7	1,139.4	1,471.1	1,268.9	—
Exports (thou. ton)	6,610.0	7,908.0	6,767.5	526.4	666.1	673.6	928.8	713.4	679.2	—
Stocks, beginning (thou. ton)	243.0	267.4	225.6	211.7	314.8	279.4	315.7	324.9	190.3	171.8
Margarine, wholesale price, Chicago (cts./lb.)	43.5	50.3	47.0	41.0	40.0	39.0	39.6	40.3	41.0	42.2

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year for margarine. ² Beginning April 1, 1982 prices based on 30 day delivery, using upper end of the range.

Cotton

	Marketing year ¹			1981		1982				
	1978/79	1979/80	1980/81	May	Dec	Jan	Feb	Mar	Apr	May
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	61.6	71.5	83.0	78.5	55.1	57.8	57.3	59.7	62.0	62.4
Northern Europe prices:										
Index (cts./lb.) ³	n.a.	n.a.	93.3	66.8	67.7	70.0	70.0	70.4	71.5	76.7
U.S. M 1-3/32' (cts./lb.) ⁴	n.a.	n.a.	n.a.	n.a.	70.0	72.8	72.5	74.7	77.4	78.9
U.S. mill consumption (thou. bales)	6,434.6	6,463.0	5,870.5	460.0	413.6	392.4	413.9	518.0	423.6	—
Exports (thou. bales)	6,180.2	9,228.9	5,925.8	482.6	768.0	685.0	792.3	924.0	709.7	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Fruit

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale price indexes:										
Fresh fruit (1967=100)	230.4	237.3	226.7	227.7	264.4	241.6	250.8	230.0	243.2	244.7
Dried fruit (1967=100)	479.6	399.2	405.9	402.0	414.7	414.7	410.0	410.0	410.0	407.2
Canned fruit and juice (1967=100)	240.2	256.4	273.8	272.6	280.1	282.2	286.5	285.1	284.3	284.1
Frozen fruit and juice (1967=100)	248.5	244.3	302.8	317.2	304.9	304.9	313.7	318.0	313.2	306.4
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	² 9.54	13.83	13.68	³ 14.50	¹ 14.41	³ 14.09	³ 14.63
Pears, Medford, Or. (\$/box) ³	n.a.	n.a.	n.a.	n.a.	n.a.	10.58	n.a.	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	12.50	9.58	11.00	10.10	11.90	12.10	13.40	12.80	13.10	15.40
Grapefruit, U.S. avg. (\$/box)	8.00	8.50	10.10	11.20	8.48	8.27	11.30	8.64	8.97	9.23
Stocks, beginning:										
Fresh apples (mil. lb.)	n.a.	n.a.	n.a.	—	3,332.3	2,676.0	2,128.3	1,648.9	1,119.3	—
Fresh pears (mil. lb.)	n.a.	n.a.	n.a.	—	264.6	207.9	162.8	111.3	72.1	—
Frozen fruit (mil. lb.)	n.a.	n.a.	n.a.	—	584.5	520.6	488.5	434.5	371.4	—
Frozen fruit juices (mil. lb.)	n.a.	n.a.	n.a.	—	1,102.4	1,127.2	1,347.6	1,565.9	1,782.8	—

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-113's. ² O'Anjou pears, Medford, or wrapped, U.S. No. 1, 100-135's. ³ Control atmosphere storage. n.a. = not available.

Vegetables

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale Prices:										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	4.54	6.32	9.39	11.35	5.78	6.30	6.55	6.48	7.27	7.99
Iceberg lettuce (\$/crtn.) ¹	5.10	4.25	5.27	5.52	9.62	13.96	5.86	5.19	8.09	4.78
Tomatoes (\$/crtn.) ²	7.86	7.57	9.06	5.53	6.73	8.64	8.64	8.04	5.22	7.76
Wholesale price index, 10 canned										
veg. (1967=100)	191	200	235	236	245	246	242	239	241	241
Grower price index, fresh commercial										
veg. (1977=100)	109	110	133	132	150	191	161	126	123	113

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
U.S. raw sugar price, N.Y. (cts./lb.) ¹ . . .	15.56	30.11	19.73	17.43	17.07	18.16	17.77	17.13	17.89	19.57
U.S. deliveries (thou. short tons) ^{2 3} . . .	10,714	10,149	9,731	814	745	638	637	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1981		1982				
	1979	1980	1981 p	May	Dec	Jan	Feb	Mar	Apr	May
Prices at auctions:										
Flue-cured (cts./lb.) ¹	140.0	144.5	166.4	—	—	—	—	—	—	—
Burley (cts./lb.) ¹	145.2	165.9	180.6	—	180.5	182.0	180.5	—	—	—
Domestic consumption²										
Cigarettes (bil.)	614.0	620.7	641.5	50.7	42.3	48.2	52.9	57.4	n.a.	n.a.
Large cigars (mil.)	4,298	3,994	3,920	337.4	299.4	265.5	276.5	328.2	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
Composite green price, N.Y. (cts./lb.) . . .	169.50	157.78	122.10	122.33	132.90	132.00	140.08	136.01	131.81	128.49 p
Imports, green bean equivalent (mil. lb.) ¹ .	2,656	2,466	2,248	184	214	170	161	203	154	160 F
	Annual			1980		1981		1982		
	1979	1980	1981	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June F
Roastings (mil. lb.) ²	2,249	2,255	2,324	644	627	524	516	657	615	500

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p = preliminary. F = Forecast.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		Bu/acre				Mil. bu				\$/bu.
Wheat:											
1978/79	66.0	56.5	31.4	1,776	2,955	158	679	1,194	2,031	924	2.97
1979/80	71.4	62.5	34.2	2,134	3,060	86	697	1,375	2,158	902	3.78
1980/81*	80.6	71.0	33.4	2,374	3,279	55	725	1,510	2,290	989	3.91
1981/82*	88.9	80.9	34.5	2,793	3,784	135	723	1,780	2,638	1,146	3.70
1982/83*	—	—	—	2,716	3,864	125	725	1,700	2,550	1,314	3.60-3.80
	Mil. acres		lb/acre				Mil. cwt. (rough equiv.)				c/lb.
Rice:											
1978/79	2.99	2.97	4,484	133.2	160.7	4.2	49.2	75.7	124.9	31.6	8.16
1979/80	2.89	2.87	4,599	131.9	163.6	6.1	49.2	82.6	131.8	25.7	10.50
1980/81*	3.38	3.31	4,413	146.2	172.1	9.7	54.5	91.4	155.6	16.5	12.80
1981/82*	3.84	3.80	4,873	185.4	202.2	5.0	56.5	86.5	148.0	54.2	9.25
1982/83*	—	—	—	163.0	217.4	5.0	59.0	86.5	150.5	66.9	8.50-10.00
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
Corn:											
1978/79	81.7	71.9	101.0	7,268	8,380	4,323	620	2,133	7,076	1,304	2.25
1979/80	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81*	84.0	73.0	91.0	6,645	8,263	4,139	735	2,355	7,229	1,034	3.11
1981/82*	84.2	74.6	109.9	8,201	9,236	4,300	785	2,175	7,260	1,976	2.50
1982/83*	—	—	—	7,685	9,662	4,350	815	2,300	7,465	2,197	2.50-2.90
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
Sorghum:											
1978/79	16.2	13.4	54.5	731	922	545	11	207	762	160	2.01
1979/80	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81*	15.6	12.5	46.3	579	726	307	11	299	617	109	2.94
1981/82*	16.0	13.7	64.1	880	989	410	11	275	696	293	2.30
1982/83*	—	—	—	730	1,023	415	11	275	701	322	2.35-2.75
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
Barley:											
1978/79	10.0	9.2	49.2	455	638	217	167	26	410	228	1.92
1979/80	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81*	8.3	7.3	49.6	361	563	174	175	77	426	137	2.85
1981/82*	9.7	9.2	52.3	478	625	190	175	100	465	160	2.50
1982/83*	—	—	—	455	625	195	177	75	447	178	2.40-2.70
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
Oats:											
1978/79	16.4	11.1	52.3	582	896	526	77	13	616	280	1.20
1979/80	14.0	9.7	54.4	527	808	492	76	4	572	236	1.36
1980/81*	13.4	8.7	53.0	458	696	432	74	13	519	177	1.79
1981/82*	13.6	9.4	54.0	508	686	445	75	17	527	159	1.90
1982/83*	—	—	—	540	700	445	75	10	530	170	1.70-1.95
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
Soybeans:											
1978/79	64.7	63.7	29.4	1,869	2,030	499	1,018	739	1,856	174	6.66
1979/80	71.6	70.6	32.1	2,268	2,442	485	1,123	875	2,083	359	6.28
1980/81*	70.0	67.9	26.4	1,792	2,151	489	1,020	724	1,833	318	7.57
1981/82*	68.1	66.7	30.4	2,030	2,348	488	1,055	900	2,043	305	6.05
1982/83*	—	—	—	2,100	2,405	490	1,075	915	2,080	325	5.85-7.50
							Mil. lbs.				c/lb.
Soybean oil:											
1978/79	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.2
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81*	—	—	—	11,270	12,480	—	9,115	1,629	10,744	1,736	22.7
1981/82*	—	—	—	11,289	13,025	—	9,550	1,950	11,500	1,525	19.0
1982/83*	—	—	—	11,720	13,245	—	9,850	2,200	12,050	1,195	20.0-26.0
							Thou. tons				\$/ton
Soybean meal:											
1978/79	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80	—	—	—	27,105	27,372	—	19,214	7,932	27,146	226	181.9
1980/81*	—	—	—	25,312	24,538	—	17,597	6,778	24,375	163	218.2
1981/82*	—	—	—	25,267	25,430	—	17,700	7,500	25,200	230	185
1982/83*	—	—	—	25,640	25,870	—	18,100	7,500	25,600	270	175-210

See footnotes at end of table.

Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres	lb/acre									Mil. bales
Cotton:											
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	\$58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	\$62.5
1980/81*	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	2.7	\$74.7
1981/82*	14.3	13.8	543	15.6	18.3	—	5.3	6.7	12.0	6.5	—
1982/83*	—	—	—	12.5	19.0	—	5.7	7.3	13.0	8.2	—

Supply and utilization—metric measure⁶

	Mil. hectares		Metric tons/ha	Mil. metric tons							\$/metric ton
Wheat:											
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.5	139
1980/81*	32.6	28.7	2.25	64.6	89.2	1.5	19.7	41.1	62.3	26.9	144
1981/82*	36.0	32.7	2.32	76.0	103.0	3.7	19.7	48.4	71.8	31.2	136
1982/83*	—	—	—	73.9	105.2	3.4	19.7	46.3	69.4	35.8	132-140
Mil. metric tons (rough equiv.)											
Rice:											
1978/79	1.2	1.2	5.03	6.0	7.3	70.2	2.3	3.4	5.7	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	70.3	2.2	3.7	5.9	1.2	231
1980/81*	1.4	1.3	4.95	6.6	7.8	70.4	2.5	4.2	7.1	0.7	282
1981/82*	1.6	1.5	5.46	6.4	9.2	70.2	2.6	3.9	6.7	2.5	204
1982/83*	—	—	—	7.4	9.8	70.2	2.7	3.9	6.8	3.0	187-220
Mil. metric tons											
Corn:											
1978/79	33.1	29.1	6.34	184.6	212.8	109.8	15.7	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.5	5.72	168.8	209.9	105.1	18.7	59.8	183.6	26.3	122
1981/82*	34.1	30.2	6.90	208.3	234.8	109.2	19.9	55.2	184.4	50.2	98
1982/83*	—	—	—	195.2	245.4	110.5	20.7	58.4	189.6	55.8	98-114
Feed Grain:											
1978/79	50.3	42.7	5.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.8	—
1981/82*	50.0	43.3	5.74	248.4	283.3	130.3	25.1	64.5	219.9	63.4	—
1982/83*	—	—	—	231.5	295.2	131.8	25.9	67.2	224.9	70.3	—
Soybeans:											
1978/79	26.2	25.8	1.98	50.9	55.3	42.7	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.18	61.7	66.5	42.3	30.6	23.8	56.7	9.8	231
1980/81*	28.4	27.5	1.78	48.8	58.5	42.4	27.8	19.7	49.8	8.7	278
1981/82*	27.7	27.0	2.05	55.3	63.9	42.4	28.7	24.5	55.6	8.3	222
1982/83*	—	—	—	57.2	65.5	42.4	29.4	24.9	56.7	8.9	215-276
Soybean oil:											
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	597
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.11	5.66	—	4.14	.74	4.88	.79	500
1981/82*	—	—	—	5.12	5.91	—	4.33	.88	5.21	.69	419
1982/83*	—	—	—	5.32	6.01	—	4.47	1.00	5.47	.54	441-573
Soybean meal:											
1978/79	—	—	—	22.09	22.31	—	18.08	6.00	22.07	.24	209
1979/80	—	—	—	24.58	24.83	—	17.43	7.20	24.63	.20	201
1980/81*	—	—	—	22.96	22.26	—	15.96	6.15	22.11	.15	241
1981/82*	—	—	—	22.92	23.07	—	16.06	6.80	22.86	.21	204
1982/83*	—	—	—	23.26	23.47	—	16.43	6.80	23.23	.24	193-231
\$/kg											
Cotton:											
1978/79	5.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	\$1.29
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	\$1.38
1980/81*	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.57	.59	\$1.65
1981/82*	5.8	5.6	.61	3.40	3.99	—	1.15	1.46	2.61	1.42	—
1982/83*	—	—	—	2.72	4.14	—	1.24	1.59	2.83	1.35	—

June 11, 1982 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds. 36,7437 bushels of wheat or soybeans, 39,3679 bushels of corn or sorghum, 49,9296 bushels of barley, 69,8944 bushels of oats, 22,046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1980			1981				1982
	1979	1980	1981 p	II	III	IV	I	II	III	IV	I
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	2,413.9	2,626.1	2,925.5	2,564.8	2,637.3	2,730.6	2,853.0	2,885.8	2,965.0	2,998.3	2,998.4
Personal consumption expenditures	1,510.9	1,672.8	1,857.8	1,626.8	1,682.2	1,751.0	1,810.1	1,829.1	1,883.9	1,908.3	1,946.7
Durable goods	212.3	211.9	232.0	194.4	208.8	223.3	238.3	227.3	236.2	226.4	237.4
Nondurable goods	602.2	675.7	743.2	664.0	674.2	703.5	726.0	735.3	751.3	760.3	762.4
Clothing and shoes	98.9	104.8	115.9	102.3	105.3	109.4	113.4	115.8	117.5	117.0	118.4
Food and beverages	312.1	345.7	382.0	338.4	347.7	360.4	372.5	377.8	386.5	391.1	396.5
Services	698.3	785.2	882.6	768.4	799.2	824.2	845.8	866.5	896.4	921.5	946.9
Gross private domestic investment	415.8	395.3	450.5	390.9	377.1	397.7	437.1	458.6	463.0	443.3	393.8
Fixed investment	398.3	401.2	434.4	383.5	393.2	415.1	432.7	435.3	435.6	434.0	430.6
Nonresidential	279.7	296.0	328.9	289.8	294.0	302.1	315.9	324.6	335.1	339.8	338.4
Residential	118.6	105.3	105.5	93.6	99.2	113.0	116.7	110.7	100.5	94.2	92.2
Change in business inventories	17.5	-5.9	16.2	7.4	-16.0	-17.4	4.5	23.3	27.5	9.4	-36.8
Net exports of goods and services	13.4	23.3	26.0	17.1	44.5	23.3	29.2	20.8	29.3	24.7	31.5
Exports	281.3	339.8	367.3	333.3	342.4	346.1	367.4	368.2	368.0	365.6	366.9
Imports	267.9	316.5	341.3	316.2	297.9	322.7	338.2	347.5	338.7	341.0	325.4
Government purchases of goods and services	473.8	534.7	591.2	530.0	533.5	558.6	576.5	577.4	588.9	622.0	626.4
Federal	167.9	198.9	230.2	198.7	194.9	212.0	221.6	219.5	226.4	253.3	253.6
State and local	305.9	335.8	361.0	331.3	338.6	346.6	354.9	357.9	362.5	368.7	372.8
1972 \$bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,483.0	1,480.7	1,510.3	1,463.3	1,471.9	1,485.6	1,516.4	1,510.4	1,515.8	1,498.4	1,484.5
Personal consumption expenditures	930.9	935.1	958.9	919.3	930.8	946.8	960.2	955.1	962.8	957.5	965.4
Durable goods	146.6	135.8	139.4	126.2	132.6	139.1	146.8	137.4	140.3	133.1	138.2
Nondurable goods	354.8	358.4	367.3	356.6	354.9	360.4	364.5	367.0	368.8	368.8	367.9
Clothing and shoes	76.6	78.0	83.7	76.7	78.3	80.1	82.8	84.0	84.2	83.6	84.4
Food and beverages	176.7	181.5	184.6	182.2	160.1	179.9	182.9	185.0	185.2	185.3	185.6
Services	429.6	440.9	452.2	436.5	443.3	447.3	448.9	450.7	453.7	455.6	459.2
Gross private domestic investment	232.6	203.6	214.8	200.5	195.3	200.5	211.6	219.7	221.5	206.3	184.4
Fixed investment	222.5	206.6	207.6	199.2	200.2	207.6	213.1	208.9	206.5	202.1	201.4
Nonresidential	163.3	158.4	162.4	156.1	155.5	157.0	162.0	161.1	163.9	162.7	163.0
Residential	59.1	48.1	45.2	43.1	44.7	50.6	51.0	47.8	42.7	39.4	38.4
Change in business inventories	10.2	-2.9	7.1	1.3	-5.0	-7.2	-1.4	10.8	14.9	4.2	-17.1
Net exports of goods and services	37.7	52.0	44.9	51.7	57.6	48.5	50.9	46.2	43.2	39.2	39.3
Exports	146.9	161.1	160.4	160.5	160.5	157.4	162.5	161.5	160.1	157.4	152.1
Imports	109.2	109.1	115.5	108.9	102.8	108.9	111.6	115.4	116.9	118.2	112.8
Government purchases of goods and services	281.8	290.0	291.7	291.9	286.2	289.8	293.6	289.5	288.3	295.4	295.5
Federal	101.7	108.1	111.5	110.7	106.9	107.4	111.2	108.7	109.6	116.6	117.7
State and local	180.1	161.9	180.2	181.2	181.3	182.4	182.5	180.7	178.8	178.8	177.8
New plant and equipment expenditures (\$bil.)	270.46	295.63	321.49	294.36	296.23	299.58	312.24	316.73	328.25	327.83	330.34
Implicit price deflator for GNP (1972=100)	162.77	177.36	193.71	175.28	179.18	183.81	188.14	191.06	195.61	200.10	201.99
Disposable income (\$bil.)	1,641.7	1,821.7	2,016.0	1,784.1	1,840.6	1,897.0	1,947.8	1,985.6	2,042.0	2,088.5	2,113.3
Disposable income (1972 \$bil.)	1,011.5	1,018.4	1,040.4	1,008.2	1,018.5	1,025.8	1,033.3	1,036.8	1,043.6	1,047.9	1,048.0
Per capita disposable income (\$)	7,293	8,002	8,770	7,848	8,074	8,299	8,504	8,651	8,873	9,051	9,138
Per capita disposable income (1972 \$)	4,493	4,473	4,526	4,435	4,468	4,488	4,511	4,517	4,535	4,541	4,531
U.S. population, tot, incl. military abroad (mil.)*	225.1	227.7	229.9	227.3	228.0	228.6	229.1	229.5	230.1	230.7	231.2
Civilian population (mil.)*	223.0	225.6	227.7	225.2	225.8	226.4	226.9	227.4	228.0	228.6	229.0

See footnotes at end of next table.

Selected monthly indicators

	Annual			1981		1982				
	1979	1980	1981 p	May	Dec	Jan	Feb	Mar	Apr	May p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	152.5	147.0	151.0	152.7	143.4	140.7	142.9	141.7	140.6	140.3
Manufacturing (1967=100)	153.6	146.7	150.4	152.8	142.0	138.5	140.9	140.2	139.2	139.1
Durable (1967=100)	146.4	136.7	140.5	143.5	131.3	127.1	129.3	128.3	127.3	127.0
Nondurable (1967=100)	164.0	161.2	164.8	166.4	157.4	155.1	157.8	157.3	156.6	156.7
Leading economic indicators ^{1,2} (1967=100)	140.1	131.2	133.1	136.0	127.5	125.8	125.5	125.7	127.3	127.7
Employment ⁴ (Mil. persons)*	96.9	97.3	100.4	101.0	99.6	99.6	99.6	99.5	99.3	100.1
Unemployment rate ⁴ (%)	5.8	7.1	7.6	7.5	8.8	8.5	8.8	9.0	9.4	9.5
Personal income ¹ (\$ bil. annual rate)	1,943.8	2,160.2	2,404.1	2,367.4	2,492.0	2,497.9	2,513.3	2,522.8	2,531.5	2,548.1
Hourly earnings in manufacturing ^{4,5} (\$)	6.70	7.27	7.99	7.92	8.26	8.41	8.34	8.37	8.41	8.45
Money stock-M1 (daily avg.) (\$bil.) ²	\$389.0	\$414.5	\$440.9	429.2	440.9	448.6	447.3	448.2	452.3	451.3
Money stock-M2 (daily avg.) (\$bil.) ²	\$1,518.9	\$1,656.1	\$1,822.4	1,732.3	1,822.4	1,840.9	1,847.5	1,864.7	1,879.8	1,894.7
Three-month Treasury bill rate ² (%)	10.041	11.506	14.077	16.295	10.926	12.412	13.780	12.493	12.821	12.148
Aaa corporate bond yield (Moody's) ^{2,7} (%)	9.63	11.94	14.17	14.32	14.23	15.18	15.27	14.58	14.46	14.26
Interest rate on new home mortgages ^{2,8} (%)	10.78	12.66	14.70	14.10	15.87	15.25	15.12	15.67	16.84	15.96
Housing starts, private (incl. farm) (thou.)	1,745.1	1,292.2	1,084.2	1,172	882	885	945	931	888	1,086
Auto sales at retail, total ¹ (mil.)	10.6	9.0	8.5	7.9	7.2	8.2	8.6	7.9	7.2	8.2
Business sales, total ¹ (\$ bil.)	294.6	321.1	350.9	352.6	342.6	336.5	342.7	343.1	339.9	—
Business inventories, total ¹ (\$ bil.)	423.8	464.9	497.2	489.5	513.3	510.5	508.3	507.6	508.5	—
Sales of all retail stores (\$ bil.) ⁹	74.6	79.3	86.6	86.4	86.6	85.3	87.7	87.3	87.9 p	89.2
Durable goods stores (\$ bil.)	25.4	24.7	27.2	27.5	26.2	25.3	26.8	27.0	27.8 p	28.5
Nondurable goods stores (\$ bil.)	49.1	54.6	59.4	58.9	60.4	60.0	60.8	60.3	60.1 p	60.8
Food stores (\$ bil.)	16.3	18.1	19.8	19.6	20.6	20.2	20.4	20.3	20.6 p	20.6
Eating and drinking places (\$ bil.)	6.6	7.2	7.9	7.8	8.0	8.0	8.5	8.3	8.2 p	8.0
Apparel and accessory stores (\$ bil.)	3.5	3.7	4.0	3.9	4.0	3.9	4.3	4.2	4.0 p	4.2

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite Index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. * Data for 1981 have been revised based on 1980 census population count.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1981		1982				
	1979	1980	1981	May	Dec	Jan	Feb	Mar	Apr	May
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.45	4.78	4.80	4.77	4.74	4.76	4.71	4.62	4.65	4.56
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.01	3.28	3.40	3.63	2.79	2.76	2.92	2.95	3.05	3.04
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	3.38	3.28	3.49	2.90	2.98	2.92	2.92	2.98	3.03
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.59	7.39	7.40	7.92	6.55	6.72	6.63	6.53	6.81	6.92
Soybean oil, Decatur (cts./lb.)	27.59	23.63	21.07	21.14	18.64	19.37	18.32	18.47	19.52	20.54
Soybean meal, Decatur (\$/ton)	191.08	196.47	218.65	222.50	188.30	192.53	191.26	184.78	190.67	192.00
Cotton, 10 market avg. spot (cts./lb.)	61.81	81.13	71.93	78.46	55.11	57.83	57.24	59.73	62.02	62.44
Tobacco, avg. price of auction (cts./lb.)	132.15	142.29	156.48	149.96	168.94	169.97	169.97	169.97	168.94	168.94
Rice, f.o.b. mill, Houston (\$/cwt.)	20.25	21.89	25.63	27.99	22.00	21.75	20.20	19.20	19.00	19.00
Inedible tallow, Chicago (cts./lb.)	23.45	18.52	15.27	16.55	13.57	13.38	13.40	14.13	14.44	14.50
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	1.74	1.64	1.27	1.26	1.47	1.44	1.49	1.44	1.41	1.39
Sugar, N.Y. spot (cts./lb.)	15.61	30.10	19.73	17.43	17.07	18.16	17.17	17.13	17.9	19.57
Rubber, N.Y. spot (cts./lb.)	64.57	73.80	56.79	59.08	45.37	48.50	47.25	47.25	45.83	46.04
Cocoa beans, N.Y. (\$/lb.)	1.44	1.14	.90	.83	.92	.96	.96	.84	.75	n.a.
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.91	6.89	7.28	8.16	7.55	7.71	6.95	7.65	8.64	7.95

n.a. = not available.

U.S. agricultural exports

	October-April				April			
	1980/81	1981/82	1980/81	1981/82	1981	1982	1981	1982
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry.	—	—	104,751	132,903	—	—	10,277	9,610
Meat and preps., excluding poultry (mt).	263	253	619,826	560,305	38	34	92,337	80,050
Dairy products, excluding eggs	—	—	107,096	242,499	—	—	15,913	30,625
Poultry and poultry products	—	—	430,621	382,784	—	—	62,450	43,705
Grains and preparations	—	—	12,686,396	10,158,613	—	—	1,716,268	1,475,175
Wheat and wheat flour (mt).	24,295	27,542	4,889,224	4,776,767	3,620	4,209	700,588	715,405
Rice, milled (mt).	961	1,223	489,238	572,779	134	179	69,260	74,174
Feed grains, excluding products (mt).	44,434	36,521	6,842,113	4,475,017	5,284	5,373	832,446	643,838
Other.	—	—	665,821	334,050	—	—	113,974	41,758
Fruits, nuts, and preparations	—	—	1,297,729	1,204,847	—	—	152,939	150,075
Vegetables and preparations	—	—	963,546	1,025,306	—	—	130,564	116,351
Sugar & preps., including honey.	—	—	424,109	130,095	—	—	56,361	8,442
Coffee, tea, cocoa, spices, etc. (mt).	31	31	144,890	133,604	4	4	16,261	18,381
Feeds and fodders.	—	—	1,859,964	1,689,614	—	—	299,424	253,297
Protein meal (mt).	4,654	4,647	1,198,130	1,063,730	779	618	191,701	141,776
Beverages excl. distilled alcohol (Lit.)	76,246	31,233	37,042	16,520	7,781	5,195	3,730	2,900
Tobacco, unmanufactured (mt).	164	175	841,503	1,020,338	23	19	109,212	113,614
Hides, skins, and furskins	—	—	878,562	679,596	—	—	92,534	99,837
Oilseeds	—	—	4,450,701	4,645,960	—	—	534,211	637,382
Soybeans (mt).	13,611	16,777	4,165,899	4,307,492	1,632	2,332	484,469	590,327
Wool, unmanufactured (mt).	2	2	16,942	24,535	(¹)	(¹)	2,927	4,052
Cotton, unmanufactured (mt).	904	1,048	1,631,305	1,503,264	121	162	211,604	212,200
Fats, oils, and greases (mt).	910	957	451,114	443,917	146	139	70,752	61,776
Vegetable oils and waxes (mt).	912	911	628,768	543,223	122	116	86,464	70,720
Rubber and allied gums (mt).	7	6	14,209	11,128	1	1	2,442	1,644
Other.	—	—	662,294	686,425	—	—	84,651	91,958
Total	—	—	28,051,368	25,235,476	—	—	3,751,321	3,481,794

¹ Less than 500,000.

Trade balance

	October-April		April	
	1980/81	1981/82	1981	1982
	\$ Mil.			
Agricultural exports	28,051	25,235	3,751	3,482
Nonagricultural exports	107,679	103,805	16,351	14,726
Total exports ¹	135,730	129,040	20,102	18,208
Agricultural imports	10,590	8,856	1,397	1,189
Nonagricultural imports	138,128	135,102	21,173	16,515
Total imports ²	148,718	143,958	22,570	17,704
Agricultural trade balance	+17,461	+16,379	+2,354	+2,293
Nonagricultural trade balance	-30,449	-31,297	-4,822	-1,789
Total trade balance	-12,988	-14,918	-2,468	+504

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports by regions

Region and country ¹	October-April		April		Change from Year earlier	
	1980/81	1981/82	1981	1982	October-April	April
	\$ Mil.				percent	
Western Europe	7,509	7,973	930	1,032	+6	+11
European Community (EC-10)	5,784	5,944	754	794	+3	+5
Belgium-Luxembourg	501	578	79	92	+15	+16
Germany, Fed. Rep.	1,136	1,132	124	136	0	+10
Greece	146	123	23	19	-16	-17
Italy	710	642	82	78	-10	-5
Netherlands	2,137	2,266	294	345	+6	+17
United Kingdom	580	803	73	70	+4	-4
Other Western Europe	1,725	2,029	176	238	+18	+35
Portugal	459	351	57	52	-24	-9
Spain	784	1,134	70	121	+45	+73
Eastern Europe	1,453	645	223	79	-56	-85
German Dem. Rep.	294	182	39	8	-38	-79
Poland	531	111	74	11	-79	-85
Romania	302	104	68	25	-66	-63
USSR	1,417	2,031	91	247	+43	+171
Asia	10,141	8,699	1,335	1,188	-14	-11
West Asia	1,013	952	121	120	-6	-1
Iran	79	91	17	0	+15	-100
Iraq	88	77	10	8	-12	-20
Israel	221	214	31	30	-3	-3
Saudi Arabia	295	287	26	44	-3	+69
South Asia	190	394	34	53	+107	+56
India	106	242	25	7	+128	-72
Pakistan	53	110	8	22	+108	+175
East and Southeast Asia	8,938	7,362	1,180	1,015	-18	-14
China, Mainland	1,593	1,170	130	151	-27	+16
China, Taiwan	681	717	97	124	+5	+28
Japan	4,355	3,633	534	462	-17	-13
Korea, Rep.	1,355	857	240	130	-37	-46
Africa	1,549	1,508	280	249	-3	-11
North Africa	824	876	158	163	+6	+3
Algeria	175	145	46	12	-17	-74
Egypt	535	543	104	114	+1	+10
Other Africa	725	636	122	86	-12	-30
Nigeria	256	354	50	53	+38	+6
Latin America and Caribbean	4,429	2,983	548	422	-33	-23
Brazil	575	349	57	68	-39	+19
Caribbean	461	440	54	72	-5	+33
Central America	220	192	34	26	-13	-24
Mexico	1,857	992	252	112	-47	-56
Peru	289	172	48	25	-40	-48
Venezuela	548	457	48	52	-17	+8
Canada	1,425	1,187	330	242	-17	-27
Oceania	127	205	15	22	+61	+47
Total²	28,051	25,236	3,751	3,482	-10	-7

¹ Adjusted for transshipments through Canada. ² Regions may not add to totals due to rounding.

U.S. agricultural imports

	October-April				April			
	1980/81	1981/82	1980/81	1981/82	1981	1982	1981	1982
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	235,171	231,980	—	—	28,292	50,548
Meat and preparations, excl. poultry (mt) . . .	540	439	1,386,360	1,001,401	70	77	168,464	166,272
Beef and veal (mt)	404	315	1,025,062	676,781	50	59	119,245	120,742
Pork (mt)	117	111	312,303	285,398	16	16	39,789	39,806
Dairy products, excluding eggs	—	—	326,728	334,019	—	—	38,494	38,375
Poultry and poultry products	—	—	56,297	38,220	—	—	8,974	3,681
Grains and Preparations	—	—	182,441	196,281	—	—	25,880	27,756
Wheat and flour (mt)	3	3	1,214	1,114	(¹)	-1	197	191
Rice (mt)	3	7	1,687	4,443	1	1	447	795
Feed grains (mt)	83	120	16,414	20,675	10	26	2,076	4,468
Other	—	—	163,126	170,049	—	—	23,160	22,302
Fruits, nuts, and preparations	—	—	816,702	881,717	—	—	152,107	149,736
Bananas, Fresh (mt)	1,425	1,333	282,549	290,296	250	191	53,122	41,389
Vegetables and preparations	—	—	525,336	727,098	—	—	72,701	113,417
Sugar and preparations, incl. honey	—	—	1,540,174	1,015,701	—	—	160,456	73,532
Sugar, cane or beet (mt)	2,119	2,605	1,404,294	907,892	231	195	142,985	59,875
Coffee, tea, cocoa, spices, etc. (mt)	1,023	909	2,834,803	2,175,964	140	110	346,867	272,789
Coffee, green (mt)	647	583	1,907,144	1,468,441	78	69	205,574	184,138
Cocoa beans (mt)	132	115	268,805	208,622	31	16	62,028	28,069
Feeds and fodders	—	—	62,046	62,301	—	—	7,884	6,888
Protein meal (mt)	16	34	3,577	5,531	4	4	801	546
Beverages, excl. distilled alcohol (hl)	5,481	5,957	648,194	670,940	800	825	87,422	89,965
Tobacco, unmanufactured (mt)	98	70	220,183	184,277	11	10	24,472	26,822
Hides, skins, and furskins	—	—	175,898	146,301	—	—	31,878	16,196
Oilseeds	192	116	204,482	50,701	42	12	55,741	5,281
Soybeans (mt)	9	4	2,863	1,055	1	1	172	199
Wool, unmanufactured (mt)	25	26	90,080	95,886	5	3	17,044	10,375
Cotton, unmanufactured (mt)	10	6	8,441	3,689	1	1	345	1,184
Fats, oil, and greases (mt)	6	7	5,024	5,018	1	1	646	816
Vegetable oils and waxes (mt)	536	400	338,708	238,646	33	44	23,143	23,944
Rubber and allied gums (mt)	372	392	469,289	362,190	69	55	79,576	48,233
Other	—	—	463,977	433,600	—	—	66,196	63,452
Total	—	—	10,590,314	8,855,930	—	—	1,396,582	1,189,262

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

World Agricultural Production

World supply and utilization of major crops

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 E	1982/83 F
	Mil. units						
Wheat:							
Area (hectare)	232.5	226.9	228.4	227.7	235.9	236.0	—
Production (metric ton)	421.2	384.4	446.6	422.8	439.4	453.2	457.5 ± 20
Exports (metric ton) ¹	63.0	73.0	72.0	86.0	93.5	98.2	99.7 ± 5
Consumption (metric ton) ²	385.2	401.7	429.7	443.5	444.3	444.1	448.1 ± 15
Ending stocks (metric ton) ³	98.8	81.5	101.0	80.3	75.5	84.6	93.9 ± 12
Coarse grains:							
Area (hectare)	343.7	345.2	342.5	341.2	340.8	345.7	—
Production (metric ton)	704.4	700.8	753.3	741.4	730.4	772.1	771.5 ± 25
Exports (metric ton) ¹	82.5	84.0	90.2	100.9	105.0	102.7	104.5 ± 6
Consumption (metric ton) ²	685.4	692.1	747.5	740.3	741.9	746.5	763.4 ± 16
Ending stocks (metric ton) ³	75.6	84.2	90.2	91.4	79.8	105.4	113.5 ± 13
Rice, milled:							
Area (hectare)	141.6	143.3	144.3	143.2	144.1	145.3	—
Production (metric ton)	236.2	248.2	259.7	254.0	265.7	276.2	275.6 ± 6
Exports (metric ton) ¹	10.5	9.5	11.6	12.6	13.0	11.8	12.2 ± 1
Consumption (metric ton) ²	237.5	242.1	255.3	258.1	266.0	275.6	276.1 ± 4
Ending stocks (metric ton) ³	17.6	24.5	28.8	24.8	24.5	25.1	24.6 ± 3
Total grains:							
Area (hectare)	717.7	715.4	715.2	712.2	720.8	727.0	—
Production (metric ton)	1,361.8	1,333.4	1,459.6	1,418.3	1,435.5	1,501.5	1,504.6 ± 37
Exports (metric ton) ¹	156.0	166.4	173.9	199.6	211.5	212.7	216.4 ± 8
Consumption (metric ton) ²	1,308.1	1,336.0	1,432.6	1,441.9	1,452.2	1,466.2	1,487.6 ± 30
Ending stocks (metric ton) ³	192.0	190.2	220.1	196.5	179.8	215.1	232.0 ± 20
Oilseeds and meals:⁴							
Production (metric ton)	66.7	78.6	83.3	96.0	85.3	91.7	—
Trade (metric ton)	33.9	38.8	40.6	46.2	44.1	46.0	—
Fats and Oils:⁵							
Production (metric ton)	47.4	52.3	54.6	58.9	56.6	58.7	—
Trade (metric ton)	16.9	18.3	19.3	20.8	20.0	20.8	—
Cotton:							
Area (hectare)	30.7	32.8	32.4	32.2	32.5	33.4	—
Production (bale)	56.7	64.1	60.0	65.5	65.6	70.9	67.7 ± 3.5
Exports (bale)	17.6	19.1	19.8	22.7	20.1	19.9	20.3 ± 1.1
Consumption (bale)	60.6	60.0	62.4	65.3	65.6	65.8	67.7 ± 1.8
Ending stocks (bale)	20.4	25.0	22.1	22.3	22.5	27.6	27.5 ± 3.2

E = Estimated. F = Forecast. ¹Excludes intra-EC trade. ²Where stocks data not available (excluding USSR), consumption includes stock changes. ³Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴Soybean meal equivalent. ⁵Calendar year data. 1975 data corresponds with 1974/75, 1976 data with 1975/76, etc.

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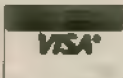
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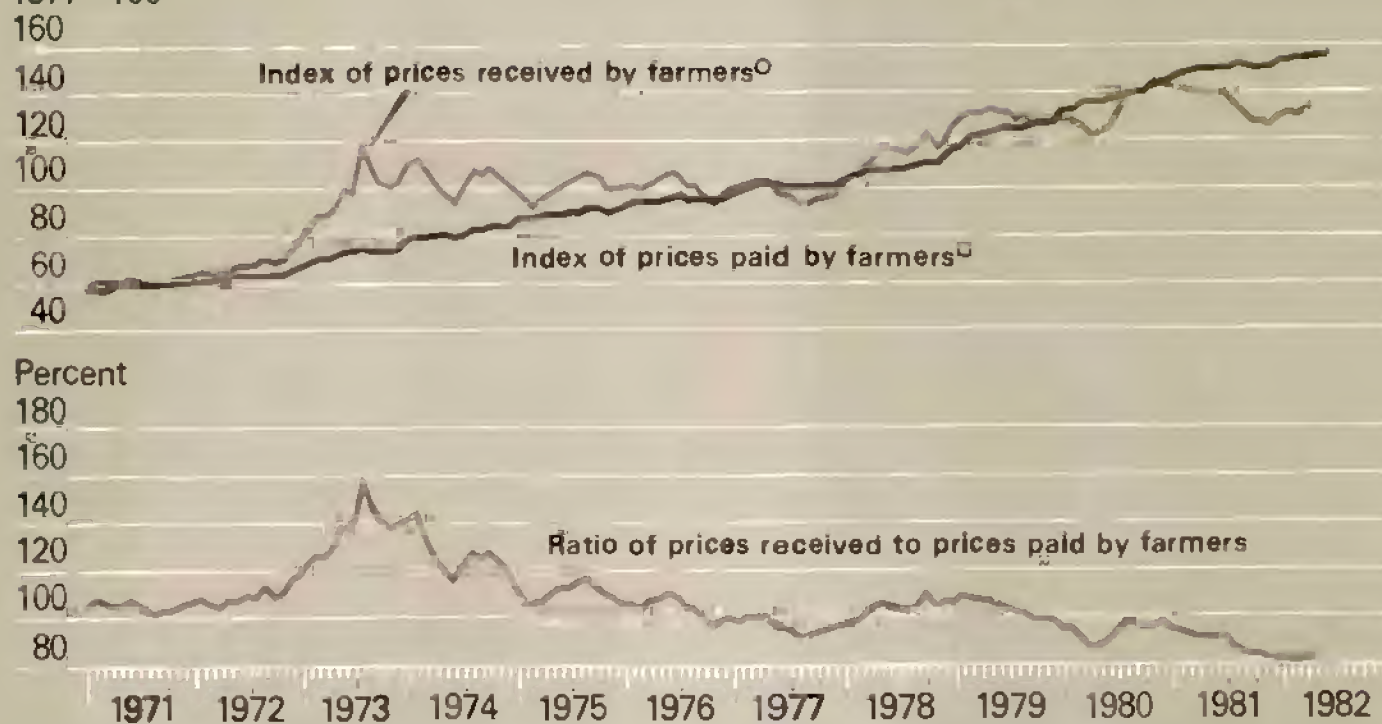
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